

The House re-assembled after lunch at one minute past  
two of the clock,

[THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA) in the Chair]

### **SHORT DURATION DISCUSSION**

#### **Working of UTI with special reference to freeze on sale and repurchase of US-64 and failure of Government to take timely action**

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Now, we will continue with the Short Duration Discussion. Shri T.N.Chaturvedi to continue his speech.

SHRI T.N. CHATURVEDI (Uttar Pradesh): Mr. Vice-Chairman, Sir, the other day, I was mentioning some of the facts in my speech; I do not want to either go back to them or repeat them, except to say that Dr. Manmohan Singh made a constructive and a thoughtful speech, making a number of points, and it was as expected of him. I find myself in agreement with him on one or two things, including the point he made about the fixation of responsibility, but, probably, not the way that many other Members have sought it. I would like to just remind the House that the US-64 scheme -- a scheme which was an open-ended one -- was particularly aimed at the small investors. Naturally, that is why, it has caused a fair amount of concern. And, while you were speaking, you also expressed that concern. But I think, that concern should not degenerate into any kind of a scare. This is what is the responsibility of each and every one of us. I would like to mention one other thing. Sir, you had very rightly quoted Shri T.T. Krishnamachari, who had piloted the Bill, the aims and objectives of the same, and what kind of precautions, he expected, would be taken. I do not want to go into them except to mention that there were also dissenting voices. One of the dissenting voices was of no less a person than Shri Minoo Massani who mentioned about the extent of corruption that will be implicit in the arrangement. And, he went on to say, "The granting of credit for capital will be a favour and the denial of credit will be a punishment." This was a warning which he gave. I think, this is what we should have kept in view all along in regard to the working of the UTI.

Shri T. T. Krishnamachari, of course, gave a suitable reply. He felt that an independent board, as was envisaged, would take care of many of these things. But, Mr. Vice-Chairman, Sir, I would like to mention that today's morass and the difficulties that had arisen -- which had been so called as the UTI crisis and the UTI debacle -- were not something that had

happened just like the cyclone in Orissa or the earthquake in Gujarat; they were in the making for long. I wish the factors, which had been responsible for this, had been taken into account. If we had done that, then, instead of recriminations, instead of acrimony, instead of needless accusations and apportioning of blames, probably our sights would have been set on the future as to where we go from here and what we do.

Sir, I would again mention that the focus was on single investor. Unfortunately, the character of US-64 was slowly and imperceptibly changed and, somehow or the other, this scheme became much more equity-oriented. Once it becomes an equity-oriented scheme, instead of relying on debt instruments, we should realise that the scheme cannot be insulated from the volatility of the market and the fluctuations to which stock exchanges are subjected to. This can be realised very well from one single fact that the proportion of equity which was 34% in 1992-93, rose to as much as 66% in 1995-96 and even more for some time subsequently. Let us not forget that this was the period when the process of liberalisation and globalisation had set in. Unfortunately, at that time, we did not realise or, maybe, we deliberately chose to ignore the fact that when the UTI was set up it was almost the only organisation of its kind with mutual fund under the Government auspices. Subsequently, and particularly in the early 90s, a number of other mutual funds in the private sector came up and that is why I wish that at that point of time some kind of corrective action, especially in the changing ambience, had been taken. Unfortunately, that was not kept in view all along since this liberalisation process started in 1991. I would also like to mention that in the working of the scheme also, unfortunately, the kind of trust that we had in the management, was belied. Much has been made out of the fact that it was in 1998 that the so-called bail-out scheme was undertaken by the Government. Now, this has not been presented in proper perspective and this fact has also not been properly appreciated, that this was not something that was a give-away of public funds as such. We must realise that this bail-out of US-64 1998 was necessitated largely because of the decline in the value of PSU stocks in which, in the process of disinvestment at that point of time, the UTI had invested.

That is why this factor, this investment process between 1991-95, was one of the factors which contributed to it. (*Time-bell*) Sir, I was supposed to speak for half-an-hour.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): No, according to the time schedule given here, you had five minutes, but you have spoken

for ten minutes. But, if you still want to speak -- because this is a very important subject -- you can speak. You tell me how much time you require now....*(Interruptions)*...

SHRI T.N. CHATURVEDI: Sir, give me some more time. You have been very indulgent to all. We must understand as to what necessitated the 1998 bail - out and what its character was. What the Government did was, it provided the UTI a five-year Government bonds, amounting to Rs.3,300 crores, carrying an interest rate of 11.24 per cent semi- annually. This was the nature of the scheme which, somehow, has been mentioned as a giveaway. I would like to mention something about the bail - out scheme. The Government, at the earliest, took action. What was the action taken by the Government? The Government really became aware of the decision to freeze the sale and redemption for six months; it knew that it would adversely affect the UTI; and it may have repercussions elsewhere in the capital market. That is why it immediately went into action in order to restore liquidity of the UTI and ensure confidence among the small investors. The following steps which were taken by the Government are very important. Actually, the Act does not provide for the Government to remove the Chairman. It only provides for the reconstitution of the Board of Directors. The Act really vests all the powers in the IDBI, and the Government can do anything only in consultation with the IDBI. That fact has to be kept in mind. I think, it was the persuasive capability of the Finance Minister which enabled him to see to it that the Chairman resigned. Thereafter, very quickly, another Chairman was appointed in his place and the meeting of the Board was held. The Board took some kind of an immediate operation in order to restore the confidence of the public. One of the efforts was to pave the way for moving or shifting the scheme from administered pricing scheme to NAV-based pricing. The UTI issued a very detailed press statement with a view to allaying the apprehensions of the public.

Sir, another very important factor which I would like to bring to your notice is that, the interest of the small investors has been safeguarded in a number of ways, particularly, by the assured repurchase of 3000 units for almost two years. It has been learnt from the sources of the UTI that about 98 per cent of the unit-holders belong to this category. Even otherwise, I must pay a tribute to it because we must lend a helping hand to the new Chairman who is exploring all possibilities to restore the confidence of the public. It is learnt that, probably, the maximum outer limit

of Rs.6,000 or so has been provided to it, with the help of the Government and with the cooperation and the networking of the financial institutions. I have no doubt that the public is sure that the UTI will be able to meet its commitment. That is why I don't think there is going to be any big pull-out, so far as this is concerned.

Mr. Vice-Chairman, Sir, there is another action--a three-pronged action. Already, a committee has been appointed; a JPC. The CBI has also registered an FIR against some of the persons who are primarily considered to be responsible for this. They are having an inquiry into the entire matter. It should not be construed as a white-wash or some sort of evasive position or an escapist position of the Government.

The committee, under Shri Tarapore, has such a wide terms of reference, that all the misgivings that have been expressed in this house would, probably, be taken care of, once we receive the report of this committee. An apprehension was expressed whether the CBI would work adequately enough to go into all the interests of the people. I would only like to mention one thing. We must express our confidence in the UTI.

Another important factor is, the Government has taken a decision to reverse its earlier decision of not having any Government representative. It is not correct to say that after 1998, the Finance Ministry was completely oblivious, or, it has completely abdicated its responsibility.

Unfortunately, my friend, Mr. Kapil Sibal, somehow or the other, has brought in a number of factors, of course, one of his hobby horse, he even mentioned that whether by insinuation or by referring to some canard or something that the finger of suspicion goes to this block or that block. When I saw his super performance the other day, I was actually reminded of The Merchant of Venice. He could not resist bringing in the name of RSS in this particular thing. He has developed a new jurisprudence, 'association by guilt.'

SHRI KAPIL SIBAL (Bihar) : I am sorry; I said 'guilt by association.'

SHRI T.N. CHATURVEDI: Probably, he may not like to sit on many of the chairs on which some Ministers had been sitting earlier. They are before the courts on a number of other matters. I do not want to go into all those details. The trouble is that, completely ignoring what has happened in 1992, particularly, during 1994-95, he mentions a large number of issues. He is thinking that it is a sudden eruption. I would like to mention, Mr. Chairman, that so far as the Government of India, Ministry of Finance,

is concerned, action was taken there at the earliest opportunity and now the whole issue is being adequately monitored. As I said, the present Chairman of the UTI, particularly, is making all efforts in this direction so that the investor confidence is restored. I would also like to bring one fact to the notice of all. It is not for the first time that the UTI has stopped repurchase facility. It did it in July, 1994, in a staggered manner; and, in a staggered manner after a few months, it was completely closed.

That was the year when the character of this was particularly changed. I might bring a very important factor to the notice of this House that this was the period -- I would not like to mention the name -- when the predecessor of the erstwhile Chairman of the UTI somehow or the other in his eagerness to mobilise funds and show the performance enticed the corporate investors by announcing unsustainable dividend rates. No care was taken with regard to its harmful effects on the individual investors, though it led to reduction, I think, from 26 to 20 per cent in the payment of dividends. This I am afraid was ignored. So, the whole thing is continuing and this is what provided frankly the opportunity. If steps would have been taken at right time, the present discussion might not have been necessary. Here I would like to make a reference that at the same time a very strange deal was made with the Reliance Industries and privately they placed Rs.1073 crores. I understand that even that file is not available. Twice the CBI moved that action should be taken and twice it was turned down. I do not want to give the dates and I do not want to give the name as to who did it on the basis of whatever information I have with me. It was very strange. Calculations have been made and they were equivalent to Rs.3,300 crores for which the first bail-out became necessary. Here this was the genesis of the second bail-out also and the present situation ignoring the dalliance that the corporate sector started and it was not taken care of at that point of time. That is why even the erstwhile Chairman unfortunately...*(Interruptions)*... Now it is quite clear and a number of cases I have got that this is much more. Yes, at that time the information technology shares were the shares which were being talked about. But instead of that, it is the Ketan Parekh who is related or affiliated with this. And who is the person behind Ketan Parekh that certainly CBI will bring out, I have no doubt. That is why, Mr. Vice-Chairman, Sir, this considerable high inflow was available through the efforts of the then Chairman. I would like to mention somehow or the other the reckless way of investments created many of these problems subsequently. It has been said about 1998 bail-out. Now the Finance Minister has very rightly said that the facts are

available. Of course, there is a Ketan Parekh and there is a Deepak Parekh. It is not the competence which is lacking in this country, it is not the capital which is lacking in this country; it is the character which is lacking in this country. Sir, Deepak Parekh Committee gave 21 recommendations. Out of these 21 recommendations, 18 were implemented by the UTI. I am afraid they were important but still they were comparatively lesser important in this context. The three things which were particularly emphasised and which were necessary at that point of time were the changing the composition of this proportionate US-64 Portfolio by proportionately reducing equity and enhancing the investment debt instruments and secondly just changing the US-64 to NAV based valuation.. The third was to bring the US-64 under the purview of the SEBI. This was, without necessarily going into the Asset Management Company structure. Unfortunately, the UTI management, in writing and during personal discussions with the senior officials, always said that the Government should not interfere in the day-to-day decisions of the financial institutions. Naturally, the Finance Ministry went on that assurance, till the whole thing came out.

SHRI NILOTPAL BASU (West Bengal) : Mr. Vice-Chairman, Sir, I have a small point. Mr. Chaturvedi, could you yield for a minute? I have a small clarification to seek.

SHRI T.N. CHATURVEDI: Please. So for as Mr. Nilotpal Basu is concerned, I have no objection.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): This goes out of your time.

SHRI NILOTPAL BASU: Sir, I have a simple question. You are talking about the creation of...

SHRI T.N. CHATURVEDI: Sir, this time should not go out of the time that has been allotted to me. Mr. Nilotpal, Basu you take care of it and be brief.

SHRI NILOTPAL BASU: No, I am asking you this because you are discussing the Asset Management Company. Sir, within the framework of the existing UTI Act, it cannot be created. So, basically, you need legislation for that.

SHRI T.N. CHATURVEDI: I am coming to that.

SHRI NILOTPAL BASU: I would like to know whether the Government has actually taken any initiative on that.

SHRI T.N. CHATURVEDI: I am coming to that.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Mr. Chaturvedi, you have only four minutes left.

SHRI T.N. CHATURVEDI: I will take just a few minutes. Sir, there is another thing. I think, the Government is waiting for this because a number of ideas have been thrown up. I myself would have talked quite a few things about restructuring. The Board of Trustees, the UTI, is meant for the small investors. I would even suggest that a corporate representative, if possible, should not be there. On the other hand, there should be more knowledgeable, public-oriented, economists and others on the Board. I think Mr. Nilotpal Basu is aware that there is also the Maligam Committee looking into this larger issue. There are a number of other things -- whether it should be corporatised, whether it should be broken into four companies, etc. I am even of the view that, apart from their own institutions, they, probably, will have to divest many other things. I need not go into those things at this particular moment because these are long-term matters and they must receive the attention of the Government, I have no doubt, that the Government is fully seized of this matter.

Before I conclude, I would just like to make three points. The first one is: Dr. Manmohan Singh has also talked about the integrated market or integrated financial market. I have also said the same thing that whether it is the role of the SEBI, the Reserve Bank of India, LIC, GIC, public sector banks and so on, because a number of things are coming up for sometime now, that efforts should be made to look at the financial aspects, the various financial organisations and institutions in a much more integrated and holistic manner because, once there is a simple ripple elsewhere, it might create waves in the entire system. Here, I would also like to mention that I am not personally happy because there is a lack of clarity between the Reserve Bank of India and the SEBI on a number of things, such as looking into the foreign banks; or, between the RBI and the Department of Company Affairs, not realising what ought to be done. I have got the correspondence that is going on. I thought, these are our regulators and, that is why, these regulators must establish a proper co-ordination among themselves. I would have been very happy if the Deepak Parekh Committee had fixed the responsibility at that point of time. It was

appointed by the UTI itself. They gave wonderful recommendations. But, unfortunately, they also allowed three years for conversion, shifting, and, I think, with that, the faith that we had in the management of the UTI has gone.

That is why, a question comes to my mind what the Chartered Accountants were doing all these years. Another question which comes to my mind is, who manages the trustees. These trustees represent a community and have wide economic knowledge. This point should be kept in mind. Therefore, it was, atleast, their duty to apprise the Minister of Finance of what is going on. Mr. Vice-Chairman, Sir, there are a number of things which I would have liked to suggest but because of the time constraint, I would not like to strain your patience any more, but I would certainly like to say about the cases which are going on. There is a feeling among the people that as far as the economic offenders are concerned, they can somehow manage to manipulate and go scot-free. The last Committee on the securities scam of which I myself, and Shri S.S. Ahluwalia were Members, had submitted its report. And, ten years after the report was submitted, action is being taken against only one person. It is not the fault of the Government. But, I think, the judiciary must also wake up in these matters. The Anglo-Saxon law applies in Singapore also. We had the Bearing Bank case, and there was this criminal, Mr. Leeson, whatever his name may be. This is another important factor which I should point out. Sir, I would like to mention that after the Tarapore Report was received...

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Mr. Chaturvedi, Please conclude now.

SHRI T.N. CHATURVEDI: Yes; Sir. I am concluding.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): You have taken more time than what was allotted to you.

SHRI T.N. CHATURVEDI: Yes, Sir. I am concluding. Whenever you had asked me to conclude, I have always abided by your orders.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): You should be happy that you have taken enough time.

SHRI SANGH PRIYA GAUTAM (Uttaranchal) : He is making some disclosures.

SHRI DIPANKAR MUKHERJEE (West Bengal) : Mr. Vice-Chairman, Sir, have sympathy with him. He is defending such a poor case. He should be given more time....*(Interruptions)*...

SHRI T.N. CHATURVEDI: Pardon?

SHRI DIPANKAR MUKHERJEE: He is defending such a poor case.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Please don't interrupt. Let him finish now.

SHRI T.N. CHATURVEDI: No, no. It is not a poor case. The trouble is, my friend, Mr. Sibal, said that you may commit a fault but not follow him, but I want to follow him, to rectify his mistakes and to see that they are not repeated in future. I want to follow him, for his good and for the good of the economy. And, Sir, I would close by mentioning that the report of the second JPC, the report of the Tarapore Committee and the reports of the CBI will soon be submitted. My friend, Shri Amar Singh, who is not here, is in the habit of नहीं तो वे अपना कुछ न कुछ तीर या तुक्का छोड़ देते। or he tries to find out the black cat in a dark room. This is what he used to do. He will go to the extent of saying that this is not an insinuation. That is why I take him by his words. I would like to assure the House that as far as the Ministry of Finance is concerned, it has done its best. It is doing its best, if the five criteria or the five standards which were set up by the first JPC in 1993 are any indication. I would like to remind my friend, Mr. Sibal, that there were two Action Taken Reports; in spite of that, this House was not satisfied. Had that been done, you would not have had the opportunity to remind us of the "Merchant of Venice" or the 'Portia like' super performance. I would like to refer to the conclusions which should apply to the first JPC and also to the conclusions which should apply to the present one. As far as the first one was concerned, it was anticipated; while the present one was not fully anticipated, but anticipated at a critical point of time when no direct intervention was made by the Government because of the inadequacy of legal powers. If, this time, the people had known about the Board meetings, probably, much greater damage would have been done.

That is why I think, the Finance Ministry took the right decision, at that point of time not to intervene. The second is ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): You must finish, Sir. We cannot go on and on.

SHRI T.N. CHATURVEDI: Sir, I will take only one minute. And I will finish.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): You are a fair gentleman. You wanted half-an-hour, and you have taken 35 minutes. *...(Interruptions)...*

SHRI T.N. CHATURVEDI: Secondly, Sir, it has responded purposefully -- the action which the Government has taken. Thirdly, I think, through the present set up, i.e., through the Chairman, the Finance Ministry will manage it adequately; and, as and when these reports come, probably, the necessary correctives will be applied, and I have no doubt that the confidence of the people in the economic policies of the Government and in the working of the UTI will be fully restored. I say this as one who has also been adversely affected by it, personally. Thank you, Sir.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Shri C. Ramachandraiah, you have 12 minutes, please. *...(Interruptions)...*

श्री बालकवि बैरागी (मध्य प्रदेश) : उपसभाध्यक्ष जी, पंडित जी का भाषण सुनकर मुझे ऐसा लगता है कि भारतीय जनता पार्टी का तीन दिन से जो कार्यकारिणी का सम्मेलन चल रहा है उसके प्रस्ताव को इन्होंने नहीं पढ़ा है। अगर इन्होंने उसको पढ़ा होता तो इनका भाषण दूसरा ही होता।

श्री टी.एन. चतुर्वेदी : प्रस्ताव, आपके पढ़ने और मेरे पढ़ने में थोड़ा अंतर है।

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Please go ahead.

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): Sir, we in the TDP, are equally shocked at the announcement that was made on 2<sup>nd</sup> July about the freeze on sale and repurchase of US-64 units. To a certain extent, we are happy - though, first, the Government disassociated itself with the scheme or the functioning of the scheme -- that the Government finally came out with a package, the so-called bail-out package, as it had done in 1998. Sir, what I am trying to recommend to the Minister of Finance is, there should be a holistic approach to the entire problem. The Government cannot interfere conveniently, at selected times. That is the problem. If the Government had behaved in a rational manner, in 1998 itself, to solve the crisis that occurred at that time, the present mess would not have occurred. Sir, right from the post-liberation period, starting from Shri Chidabaram's time, it seems people were under the impression that a high Sensex index means a sound economy. The perception among the

general public, the bankers, the common people, and the stock brokers was that a high Sensex index was indicative of a sound economy of the country, which is not at all true, Sir. I wonder, when the Finance Minister was weighing 180 kg or 185 kg., he was not worried -- he should have worried at that time -- but when he is weighing only 75 kg, he is worrying. That, in fact, indicates his good health. When the Sensex had gone to 6000 points, disregarding totally the fundamentals of the institution, this Government never bothered. But, when it came down to 3000 points, which is nearer to the truth of the economy, to the reality of the economy, we are worrying much and we have even formed a JPC. Sir, this JPC should have been formed in April, 2000 when the Sensex reached 6000 points. But the people were frenzied so much that they thought it may go up to even 10,000 points. Sir, this is the impression that has been given by the Government to various quarters. It is this impression and postures of the Government which enabled and prompted the stock brokers to indulge in all sorts of irregularities. Sir, I quote one example. In April, 2000 when the Income-Tax Department had served a notice to the companies which have registered in Mauritius, which wanted to utilise this double taxation relief. ...*(Interruptions)*...

SHRI NILOTPAL BASU: We had also raised that issue, and it was criticised...*(Interruptions)*...

SHRI C. RAMACHANDRAIAH: Let me continue. That does not prevent me from raising it again.

The notice only shows that they are residents of that area and that enables them to be entitled for they should prove it that benefit. There was such a big furore that within the next two three days the Sensex had gone down by 400 points. The Finance Minister was more worried. I am right in saying that on his direction the Income-Tax Department had held up those notices. Immediately after two or three days, the Sensex again went up. What I want to ask is are we not trying to hoodwink the people and the bankers? Of course, Mr. Subramaniam has gone on record and I do not want to go into personal aspects. Right from the beginning the perception has been that if the Sensex is high, it indicates a strong economic position. In the 2001 Economic Survey, the Finance Ministry had said that the industrial growth was negative, the agricultural production was going down, our exports were going down and our revenue deficit was 70 per cent of the fiscal deficit. I should congratulate the Finance Ministry for providing correct economic indicators. If such was the case, why should we bother if

the Sensex is 10,000 or 8,000 points. As long as we are able to provide the people two square meals a day and basic amenities to them, these indicators of Sensex do not have any importance.

Sir, a very good piece of information has been furnished by the JPC. I would not like to quote it to substantiate my argument. I will quote one company, Infosys. In March, 2000, the face value of its share was Rs.10/-. It had made a profit of 45/- and its share was quoted at Rs.20,000 showing more than 450 years of profit. Nobody knows what will be the borders of the country after 450 years and what will be the character of the country. No one would purchase shares by keeping 450 years of profit in mind and paying for it now. Where are we going? And we are worried about small investors! By this way are we doing service to the small investors? Small investors are not an educated lot and they cannot invest in such a company as he is not able to study the viability of the company, the profit-making capacity and future prospects of the company. That is why they are compelled to go in for mutual funds. The so-called mutual funds are managed by fund managers, who are graduates from the London School of Economics. And they are unable to protect the small investors!

I would now refer to one more aspect -- the US-64 scheme. Nowhere was it mentioned that it is a fixed income scheme. Why has this perception been given? It does not require a person of a Harvard University degree or a London School of Economics degree. A man of simple prudence can ask, how can you distribute an amount which is far in excess of the income that has been earned? How do you make a distribution of dividend, which is far in excess of the income that has been derived from that investment?

I would like to quote here the following: "In 1994-95, the income made was Rs.3,158, the dividend declared was Rs.3975 having a negative figure of Rs.853 crores. In 1995-96, Rs.1,128 crores has been paid as dividend, which is in excess of the income, and in 1997-98, it is Rs.2,130 crores.

You have declared a dividend of 20 or 26 per cent. It is not even fixed. Either in the UTI Act or in the UTI document, nowhere it has been mentioned that it was a fixed scheme. But it is a question of prudence which has been lacking in the fund managers. When this scheme was introduced in 1963, the late Shri T.T. Krishnamachari said on the floor of the House, "Not exceeding 90 per cent of the income has to be distributed."

Obviously, it was an intention to transfer 10 per cent to the reserves so that, in future, it could act as a dividend equalisation fund. What has happened? Even when the Government came to the rescue of the UTI, with a bail out package, that amount has been utilised for distribution of dividend. Is it fair? Is it prudent financial management?

Sir, I quote from what Dr. Gupta, former Member, SEBI has said: "Our analysis shows that 98 per cent of open-ended equity schemes have suffered erosion in NAV during the year -- March 2000 to March 2001; two-thirds of such schemes showed over 40 per cent erosion and about one-third had as much as 70 per cent erosion. In the case of balanced schemes, nearly 90 per cent are showing NAV erosion over past one year and 56 per cent have lower NAV than the face value." Sir, the Government had given an impression that information technology stocks will yield very good dividend. So, not only the UTI, but other Mutual Funds have also invested. Yesterday, I read in a newspaper that in Cyberspace, not only the UTI, but other MFs have also invested. Sir, Mr. Kerry Packer had purchased a share of HFCL at Rs.1300. I don't think he has done it to his own detriment. That is the impression which has been gained. Today, the erosion is more than Rs.1000. What I am trying to say is, at one time, the Government says it doesn't have control over the UTI; at some other time it says it has to interfere to bail out the investors. I am not against bailing out investors. What has happened on 2<sup>nd</sup> July? You have announced the freezing, sale and redemption of the units. In the months of April and May, out of the total redemption of Rs.4,300 crores from the UTI, nearly, Rs.4,000 crores belonged to the corporate bodies of this country. Who has leaked that information that the UTI was going to freeze the purchase and sale of units? How could those people get that information? This is totally detrimental to the interests of the small investors. You have been allowing. You have been persisting with all your policies to increase the Sensex which, you feel, is a true indication of the soundness of the economy. But this is not at all correct. This perception has to be changed. Last time, we had emphasised...*(time-bell)* I will take two more minutes.

The Deepak Parekh Committee had recommended that it should be debt-oriented. About 70 per cent of the UTI funds is being exposed to equity. It has to be changed to debt. I have got one doubt. Again, I say, it is a matter of prudence. There are three premier institutions like the IDBI, the IFCI and the ICICI, which are there to finance the industrial units to promote their industries. But, today, they are languishing for want of proper

investments opportunities. To what extent the UTI will be successful in transferring this equity to debt instruments. I have my doubts. What I am trying to say is, you create such an atmosphere, such systems, wherein funds can be utilised. You tell the investors of the country openly :

Your investments are as risky as they are in the case of the private sector. But you cannot differentiate investments in the public sector with that of the private sector. Sir a well-managed company, a blue-chip company--I do not want to take its name-- has incurred a loss of Rs. 500 crores. Can you reimburse the losses that have been suffered by the equity holders? It is not possible. So, why should there be discrimination when you disown the UTI? I am second to none to protect the interests of the investors. You have to protect their interests. You go to the village. People have invested in agriculture. Because of the vagaries of monsoon, they are unable to raise the crop, and they do not get a remunerative price for their yield. The Government is holding contradictory opinions. It is not against the bailing out. You have given Rs. 3,300 crores not to bail out the units, but to pay the dividend at an increased rate, which is not at all justifiable. What I am trying to say is this. The Malegam Committee has been constituted, and it will make some recommendations. If you cannot run it properly, you privatise it, make four limbs of it, each limb has got its specifications. You privatise it and run it on sound economic lines. This sort of dichotomy should not be allowed from the Government-side. What is happening today? The entire system is being derailed. ...*(Interruptions)*...

डा. अलादी पी. राजकुमार (आन्ध्र प्रदेश) : आपने सबको टाईम दिया है ...*(व्यवधान)*...

उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) : जितना सबको दिया उस प्रोपोरशन से इनको भी दे दिया है।

श्री संजय निरुपम (महाराष्ट्र) : वाइस चेयरमैन साहब, भारतीय जनता पार्टी के जो सदस्य अभी बोल रहे थे उनके पास सिर्फ 5 मिनट का टाइम था और मैं देखकर आया हूँ। उनको 25 मिनट 24 तारीख को मिले और आज 40 मिनट ले लिए। हम जो छोटी पार्टीज के लोग हैं हमारे साथ भी थोड़ा सा न्याय कीजिएगा।

उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) : संजय जी, आपके साथ बहुत न्याय होगा। लेकिन उनको जितना प्रोपोरशनेटली ज्यादा टाइम दिया उससे इनको प्रोपोरशनेटली ज्यादा टाइम दे दिया है। यह आप समझ लीजिए।

डा. अलादी पी. राजकुमार : छोटी पार्टीज को भी ध्यान में रखिए।

उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) : फिर अब इन्होंने कहा 2 मिनट और 2 मिनट में ही 5 मिनट हो गए ...*(व्यवधान)*... Mr. C. Ramachandraiah, please conclude now.

SHRI C. RAMACHANDRAIAH: Sir, I do not want to single out the UTI alone.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Mr. C. Ramachandraiah, are you concluding now?

SHRI C. RAMACHANDRAIAH: Yes, Sir. Sir, the moment you asked me to stop, the chain of my thoughts has broken. Sir, there are other companies of international repute. They too have also invested in these stocks. Their assets have also eroded. What I am trying to say is that you have a clear perception about the running of the UTI, and do not create a dichotomy among the bankers, stock brokers and making them to exploit the situation. Let us not make sacrificial goats. We are experts in making scapegoats. But let us not make sacrificial goats. If you kill one or two persons, that will not perfect the system. You do everything possible in good faith to perfect the system. Thank you.

SHRI FALI S. NARIMAN (Nominated): Thank you, Sir. For the past few days, Members from both sides of the House have made a valuable contribution to this Short Duration Discussion, all expressing anguish on the working of the UTI, and all of them giving us their predilections and perceptions. I share this anguish. But I think the time has come when we must deal with the problem of statutory corporations, not on our individual perceptions, but on a wider plank of constitutional and administrative law. Ministerial responsibility, under our Parliamentary System of Government, is not dissimilar to ministerial responsibility, as it obtains in England, and you will recall, and this is stated in all the text-books that when the first coal board was set up, the Opposition in British Parliament did its best to show that the board was inefficient.

The Minister of Fuel and Power refused to answer questions in Parliament relating to what he called, day-to-day administration. It was pointed out to him that he had ample power to obtain information, and that if the Board was spending public money, it was desirable that the House of Commons should have such information as it required. And the Minister replied that since industries were socialised precisely to be free from day-to-day interference by the Minister, it was not reasonable that the Minister should be required to answer when he had no effective control.

Let me quote from the House of Commons debate as to what the Minister said; just one sentence. This is what he said:

"If the Minister were to use his power to obtain information about day-to-day information, he would, in fact, be producing just that kind of bureaucratic paralysis which it was the whole intention of the Act to avoid."

Now, Sir, our problem is that we have blindly followed this British pattern of legislation over the years, and in doing so, we unfortunately have surrendered and denied to ourselves the constitutional "answerability" of Ministers to Parliament. We have deliberately set up, by statute, autonomous statutory corporations to deal with the businesses of different Ministries. They are called bodies corporate. Unfortunately, as events too often have shown, they have only bodies, but no soul!

These bodies corporate are separate legal entities. We have set them up in the fond belief that they would have a life of their own, and would function independently of the Government. But we never stopped to ask ourselves, if these corporate bodies would function efficiently and competently, and, above all, with integrity.

When times are good and Ministers are seen to interfere with the working of these corporations, directly or indirectly, we bitterly and loudly complain, sometimes, in this very House, and, more often, in the Press, about Ministerial interference in the independent working of statutory corporations.

Now, when times are bad, as they are today, we complain, as loudly and even more bitterly, and ask why the Minister did not intervene. I am afraid, we cannot have it both ways. The Minister may not have intervened because of the statute, but I believe, Sir, that some answers the Minister must give, even with the hindsight that is now available to him. For instance, Mr. Sibal's point, as to how the management of the UTI purchased at Rs.800-odd a share, whose market value was quoted at less than Rs.50/-, made in this House and repeated outside the House, needs an answer. If this is independent functioning of an independent body, then I would say, let us not have an independent body at all.

The question to ask is: Have we, as Members of Parliament, no role to play at all? I believe, we have a positive role to play. We all, in this House, whether in the Government or in the Opposition, whether we oppose the Government or whether we support the Government, cannot, I submit, disassociate ourselves from the responsibility of governance; at least, not today, when there is a complete breakdown of confidence in all Governments and in persons who head important institutions.

My distinguished friend, Mr. Nilotpal Basu, says he has no problem with autonomy. But, here, I quote from a leading textbook on the subject:

"The essence of autonomy is that no Minister can be criticised for any action of an autonomous authority."

--this is the conundrum. I am still quoting:

"If information is sought from Parliament, he may be able to obtain it as a matter of courtesy. He (i.e. the Minister) can be told that the law ought to be changed and he can be blamed if he takes no steps to that end, but neither legally nor morally can he be blamed for the action actually taken."

And, then, Mr. Basu rightly asked: How will Parliament exercise control? What is the mechanism?

He did not provide an answer. Let me attempt to do it.

In constitutional theory, which may not always accord with constitutional practice, Ministers are not responsible for corporations, consciously and deliberately set up by Parliament as independent statutory bodies. However, more often than not,--and I am not speaking of this case--we have known that Ministers do interfere, and it depends on the personality of the person who is the Chairman. I have known, Sir, in my experience, when I had something to do with Air India, that there was a host of Managing Directors who took their directions from the Ministry of Civil Aviation, but not Mr. J.R.D. Tata.

He was the person who carried his own Board with him in all his decisions and he would brook no interference from either the Minister or the Ministry. It depends on the personalities and persons to a great deal. The problem of informal control is not that it is not exercised; but no one quite knows the manner and degree of its exercise. That is the great problem. One must accept this position. Therefore, there must be a greater awareness of things that are going around the country, what is happening and what is not happening. Technically speaking, you may be right that there is no Constitutional responsibility. But I think the answerability of the Ministers to the Parliament has a very important role to play in this whole unfortunate episode. Now, look at what we have done, as Members of Parliament. We never blamed ourselves. I think we should. We set up these monster corporations by these Acts of Parliament, the UTI Act, the LIC Act, the IDBI Act and the whole lot of Bank Nationalisation Act,

and each of these institutions controls hundreds and thousands of crores of rupees of public funds, as we have been repeatedly reminded. Of course, the Government is not free from blame. Of course, the Government cannot absolve itself merely because the Appointments Committee of the Cabinet has approved the appointment of the head of each statutory corporation or its Board of Directors. But, surely, we are entitled to know what was the claim to fame of this person who was appointed as the Chairman of this very vast body called UTI and, then, a few days ago or a few weeks ago, was unceremoniously charged and whisked off to prison. Was this person a political appointee? If he was, the Government was directly responsible for what happened. If he was not, other considerations may have prevailed. The House is entitled to know them. But, I submit, we cannot absolve ourselves after setting up these independent statutory corporations designed to function, though not, in fact, functioning independently of Government. We must make managements of these statutory corporations answerable and accountable to Parliament, not only in theory, but in law and in fact also. I wish the Law Minister was here because there is a very fine passage from a book in Wade and Phillips, which I have got here, and I would like to read out two sentences to you, which are of great significance. This is what it says and I quote:

"There is little doubt that these agencies have their part to play in modern Government, provided that each operates in a clearly defined field. But should they encroach upon matters of national policy, which ought to be determined by Ministers directly responsible to Parliament? If the answer is NO--and our tradition suggests that answer--then it is important to retain some form of direct control by Ministers over the policy-making activities of these agencies. This does not mean that for every act of day-to-day administration the Minister should be responsible, but that a general power of direction should be retained and that the board should not be irresponsible in the realms of policy and finance."

How do we secure it? I submit the time has now come to set up a JPC for each of these large monster corporations, not for any particular scam, not just to function as Committees of Inquiry, but to act as perpetually monitoring bodies to closely monitor the investments, spending and working of these large mammoth corporations, which have gone totally out of hand. If need be, the JPCs can be given authority to appoint an expert, a Parliamentary Commissioner for each of the corporations, a sort of

ombudsman to oversee their activities. That is what they did in England when they wanted to monitor an independent organisation like the BBC and they appointed a Parliamentary Ombudsman. The very fact that there is a Parliamentary watchdog committee would be some deterrent against abuse of power and instil greater responsibility and probity in the management of statutory corporations. The Unit Trust Act has been read out to you. Many of the hon. Members referred to it. There is no provision for direction by the Central Government. There is only provision for directions by the Development Bank, the Development Bank whose Director, that is, the IDBI, are appointed by the Government, but not controlled by the Government. All this is a serious lacuna.

We must take urgent steps to fill these lapses so that these bodies remain answerable and accountable to someone in the country and that someone must be Parliament. We alone are accountable to the people.

I would, therefore, urge upon the Finance Minister and the Law Minister to bring in legislation at the earliest possible date to amend the Unit Trust of India Act, 1963, the Industrial Development Bank of India Act, 1964 and the Life Insurance Corporation of India Act, 1956 and other enactments setting up statutory corporations which handle and deal in large public funds, so as to ensure that these bodies, whilst continuing to function as independent statutory bodies, their managements are nevertheless subject to general directions of the Government so that the Minister becomes responsible to Parliament for the policy of the statutory corporations.

We must ensure that the managements in addition are answerable and remain accountable to Parliament and to Committees of Parliament. There is no other way in which we can, or ever will, stop future scams.

We all have little faith left in the Governments, whether the present Government or the past Governments, but we cannot lose faith in Parliament because then we will have lost faith in ourselves.

Unfortunately our attitudes are also very poor. I recall what Prof. Louis Loss of Harvard University once told me when my son was studying there. He said that Heads and Directors of corporations would always be with us so long as "men enjoy the genuflections of other men". We have too many bowing and scrapping men and women in the public sector and the private sector, and we have seen over the years how they are appointed and how they function. This is one of the sad commentaries of our time. Thank you.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Shri Prem Chand Gupta - you have eight minutes.

SHRI PREM CHAND GUPTA (Bihar): Sir, I hope you will be kind enough to me as you were in the case of Shri T.N. Chaturvedi.

Mr. Vice-Chairman, Sir, the US-64 fiasco is not that simple as it has been projected. It is a very complex issue. It is a very unfortunate issue. It is not an issue where it is a case of bad investment. Mr. Vice-Chairman, Sir, in this particular case, everybody has connived with each other to help each other to ensure that the goal is achieved. Sir, it is only the beginning. This is a contagious disease and it has already started spreading to other financial institutions. The IFCI is going to be the next target. The IFCI has already defaulted to the extent of Rs. 200 crores. Their total liability this year is Rs. 1,300 crores. I do not know how they are going to pay this money. Mr. Vice-Chairman, Sir, the Chairman of the Dena Bank, which is a commercial bank, announced that this year, the year ended on 31<sup>st</sup> March, 2001, the Bank would earn Rs. 120 crores. Their total loss is Rs. 250 crores. Sir, 50 per cent of the investment of ICICI, LIC, GIC, SBI has already been eroded. Fifty per cent of their investment either in loans or in securities has already been eroded. The investment made by financial institutions in shares has lost its value by 40 per cent. Sir, more than 50 per cent of the investment in loans, whether convertible or non-convertible loans given by these financial institutions to various organisations like industrial houses and so on, is not recoverable. What has gone wrong with the system? I would like to make a simple reference to three institutions, IDBI, IFCI, and IDFC.

They have invested Rs.2,300 crores in securities of un-rated companies. So, it has become a game of 'free for all'. There is no check on anything. It is unfortunate that we are not realising the damage and the loss which has been caused to our country's financial health. And, I am really concerned about the situation that if things are not looked into properly, then, situation would go beyond control. Sir, it is not only the US-64. When I checked the details about the other schemes, I found that eight out of fifteen UTI schemes were in the negative. The value erosion was Rs.1,400 crores. When I looked at these figures again, on 26<sup>th</sup> July, I found, to my dismay, that 12 out of 27 schemes were in minus, and the erosion was approximately over Rs.2,000 crores. And, I wonder, what the situation today is. It should be well above Rs.2,500-3,000 crores because the share market is going down and the default is becoming more and more visible.

Another thing is, the UTI stated that their NAV is Rs.8.25. In my opinion, this is a complete farce because the value of Rs.8.25 was there on a particular day and, please understand one thing; this amount does not include the real value of their investment in unquoted shares. Most of the UTI's investments or a major portion of the UTI's investments include their investment in unquoted shares. And, while working out their NAV, they did not take the present value of their investment; the actual value of their investment would not even be Rs.5. Even in the case of Cyberspace, it was originally listed at Rs.930 but today it has been quoted at Rs.1; in fact, it is not even quoted. So, Rs.8.25 is not the real value. Now, the question is: How is the UTI going to purchase these units after some time? The UTI has stated that up to 3,000 units can be redeemed by one single person. But a time will come when the NAV will be so low that they will not be able to redeem them. So, this is a very unfortunate state of affairs. Sir, the UTI has some other schemes as well. While, on these 15 schemes of the UTI, the value erosion is over Rs.2,000 crores, in some schemes, the value erosion is somewhere around Rs.250-300 crores. In the case of the UTI Master Plan 1991, the value erosion in one year, that is, from 1<sup>st</sup> June, 2000 to 1<sup>st</sup> June, 2001, was Rs.260 crores. In the case of the Master Plan 1992, in the same period, the value erosion was Rs.355 crores. Now, this value erosion would further increase day by day, and this would create panic among the people. This is not a good sign.

Mr. Vice-Chairman, Sir, in addition to the schemes that I have mentioned, UTI has some Monthly Income Schemes also. The value erosion in these schemes amounts to Rs.2,200 crores. And, mind it, these are assured schemes! These are not optional schemes in which, if the share price goes down, one can sell the shares at a lower price and if the share price goes up, one can sell them at a higher price. These are assured schemes.

Sir, I would like to give an example. The book value of MIP 97(1) is Rs.1,325 crores. The actual value today, according to the figures given in the newspapers, as on 30<sup>th</sup> June, is Rs.993 crores. That means there is a value erosion of Rs.332 crores in one scheme. And that was as on 30<sup>th</sup> June; today we are at the end of July and the value erosion would be ten or fifteen per cent more. Similarly, if you look at other schemes, in MIP 1998, the face value of the scheme is Rs.1,379 crores; the market value is Rs.1,118 crores and the value erosion is Rs.260 crores. The question is, how is the UTI going to honour these when the value has been eroded on

an assured scheme? The UTI would need the money to pay. I am sorry you have to make an additional fund allocation. Otherwise, it will not be possible for UTI to honour these schemes. These are 11 schemes, I think. All of them have value erosion of more than 20 to 40 per cent. The total erosion is of Rs.2,200 crores and that too, I repeat once again, as on 30<sup>th</sup> June, 2001 and we are at the end of July, 2001.

Sir, when these schemes were announced, an assured interest of 12 per cent or more was offered to the millions of investors who had saved their money, who had tightened their belts and saved every single penny that they could and today they are not getting even five per cent of the interest. The interest that they have been offered is less than the fixed deposit rate of interest. The most serious thing is that even their basic investment now is at risk. The principal amount is in danger. If there had been a private company defaulting like this, both the North Block and the South Block would have been active, the Reserve Bank of India would have been active, the Enforcement Directorate would have been active, the Income Tax Department would have been active and everybody would have been active. Who is now going to take care of these present problems? That is the question.

Sir, it has been stated that the UTI is an autonomous body and there is no control of the Government. It is not correct. The UTI is supervised by the IDBI. The IDBI's Chairman is a permanent trustee on the board of the UTI. It is something very interesting to know that it is not only the Chairman of the IDBI, there are other Government nominees also. I have downloaded the list from UTI's website. It goes on like this: Mr. S.K. Chakravarty, Chairman and Managing Director (Acting), IDBI; Mr. N.S. Shaksaria, some industrialist; Mr. Chitley, some Chartered Accountant; Dr. V. V. Desai, some gentleman from Bombay; Mr. Kheterpal, Executive Director, Reserve Bank of India; Mr. Vajpayee, Chairman, LIC; Mr. D.D. Pai, Chairman, Syndicate Bank; Mr. Janaki Vallabh, Chairman, State Bank of India.

How can one say that the Government has no control over the UTI or it has no information? Sir, the IDBI... *(Time-bell)* Sir, you gave more bonus time to others. I have spoken for 10 minutes.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA) : You have spoken for 14 minutes, as per my record. You had just eight minutes.

SHRI PREM CHAND GUPTA: Sir, you gave 42 minutes as bonus...

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Now, you have to conclude.

SHRI PREM CHAND GUPTA: Sir, I had requested you in advance that I should be given a little more time. Sir, the IDBI controls hundreds of crores of rupees and it is one of the prime financial institutions responsible for investment in infrastructure and industries. It has been without Chairman for so many months. There is no Chairman for the IDBI. It has only an acting Chairman. Why? Because, a suitable candidate to the liking of the Government is not there. On the other hand, the IDBI has nominated an industrialist on the board of the UTI, and this gentleman and his companies are actively engaged in stock market trading. Sir, it is something very surprising. How can you expect that there would be justice done to the UTI?

Sir, there is a lady General Manager (Investment) in the UTI. Her husband is a known broker and also a merchant banker and she is General Manager (Investment). How can you expect a fair deal in regard to investment? Sir, some investments were made by the UTI and it is very strange to know that most of these investments were in companies which were either unrated or they were 'BB', that means, sub-investment grade. I will give you an example.

SHRI NILOTPAL BASU: Unlisted.

SHRI PREM CHAND GUPTA: I have spoken about unlisted. Now, I am talking about sub-investment grade, 'BB'; that means, the investment is not safe. U.T.I. in Mukund invested Rs.30 crores in October, 1999 in non-convertible debentures; it invested Rs.30 crores in June, 2000, again, in non-convertible debentures; Rs.35 crores again invested in non-convertible debentures in November, 2000. Its investment grading is 'BB', sub-investment grade; that means, their investment is not safe. What is the explanation for this?

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Please conclude.

SHRI PREM CHAND GUPTA: Sir, hundreds of crores of rupees have been invested by the UTI and other financial institutions in companies whose promoters are not known. One or two names sound very familiar. Sir, investment in Galaxy Entertainment, Global Commerce, Information Technology, Kazaria Ceramics, Malvika Spinning, Numero Uno International,

Pritish Nandy Communications -- well, this name sounds very familiar, but I hope this is not you because it is Rs.48 crores -- S. Kumar Nationwide, Som Technology... ..(Interruptions)... Maybe, Rs.46 crores.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): If you waste your time like this, you will only be losing your time. (Interruptions)

SHRI PREM CHAND GUPTA: I did not know that it was yours. I beg your apology. Whatever be the amount. A small person who defaults in paying Rs.2,000 or Rs.4,000, goes to jail. The person who is responsible for carrying out hanging, has been sent to jail in Ghaziabad or somewhere in U.P. because he failed to pay a loan of Rs.4,000. Perhaps he is the person who hanged Ranga Billa and others.

Mr. Vice-Chairman, Sir, it is very unfortunate that 1,10,000 shares from Tips Industries were purchased at Rs.800 per share, whereas the IPO price was Rs. 325; 90,000 shares of Mukta Arts were purchased at Rs.350 per share, whereas the IPO was priced at Rs.165; 60,000 shares of Balaji Telefilms were purchased at Rs.450 per share, whereas the IPO was at Rs.130. 72,000 shares from Padmalaya Telefilms were purchased at Rs. 325 per share. The IPO price was Rs.100. ... (Interruptions)... 19,000 shares of Tabassum International were bought at Rs.60 per share, whereas the IPO was Rs.10.

SHRI NILOTPAL BASU: Sir, please look at the list of parties. I don't want to cast aspersions on anybody. In this particular debate, people making points are being given time. Why should the smaller parties be deprived of that opportunity?

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Proportionately, more time has been given than what is allotted. He has also been given more time than allotted. Please come here and I will show you the record, if you wish.

SHRI PREM CHAND GUPTA: Sir, 2,50,000 shares of DSQ Software were purchased at Rs.450 per share, in addition to 56 lakh shares with the UTI, at an average price of Rs.2000. What for have they bought these? To pay out Settlement No.148 in Calcutta?

Sir, these are only a few details. I am sure, if one goes into the details of different financial institutions, one will see that the hole is much bigger than what is stated over here. Mr. Finance Minister, your Budget, 2001, was a 'feel good' Budget. Did you ever realise what went wrong in

the next two days? What went wrong, Mr. Finance Minister, was, the operation by the bear cartel. Everybody condemned Ketan Parekh in this House. The media, morning till evening, was flooded with this news. I have nothing to do with him. It was being done to cover the other side of the game.

Mr. Vice-Chairman, Sir, who is the biggest culprit in the whole scam? It is the bear cartel. They are the ones who siphoned off the money and took away the money. I request you to kindly look into this matter. You must punish them. You must give exemplary punishment to them so that this kind of scandal doesn't repeat again and again.

Sir, when I look at your face, I am unable to speak any more. But I have something very important to share, if you permit me. Otherwise, I would keep quiet. I have nothing new except to say that my party feels that the Ministry of Finance can't be exonerated from this mess-up, and so is the Central Government. We demand the resignation of both.

Thank you.

SHRI P.G. NARAYANAN (Tamil Nadu): Sir, the Unit Trust of India was established by an Act of Parliament, with an aim to mobilise savings in the small sector. Middle and small income groups were given an opportunity to acquire property in the form of shares, which would appreciate in value, as years go by. Today, the scenario has completely changed. The UTI has invested in 1,426 private companies, of which only 81 show appreciation, and others are either non-traceable or non-tradable.

So the UTI has failed to restructure the scheme and also failed to reduce its dependency on equity. The UTI started facing problems after changing its investment portfolio from debt to equity in the ratio of 25 and 75. Out of the total investment made, 75 per cent has been invested in equity which is highly risky. Because of the nature of our financial institutions and investment institution, millions of people have invested their hard earned money in the UTI. Now, most of these small investors still depend on the UTI for their livelihood. But now they are left helpless due to this crisis. This is really a pathetic situation. I submit that this situation is due to lack of proper management. If the Finance Minister had proper control and a check over these institutions, this type of crisis would have been averted. The Finance Minister has failed to oversee and control the functioning of these institutions effectively. So, this situation raises several doubts in the minds of people that the UTI crisis has been created with the

connivance of the Finance Minister. So, the Finance Minister cannot evade the responsibility and wash off his hands on this issue. Sir, the problems of the UTI had been identified earlier by the Deepak Parkeh Committee. If the recommendations had been implemented in time, this situation would not have arisen at all. We do not understand why the Government remained silent for the past three years and why the Government did not think it fit to implement the valuable recommendations and suggestions of the Deepak Parekh Committee. Some recommendations of lesser importance have already been implemented. But major recommendations, which are most important and vital for the development and welfare of the UTI, are left out. Moreover, transparency and efficiency in the fund management is totally lacking. So, something has gone wrong. We should find some way out. The callous attitude of the Government has shaken the confidence of the people. Therefore, the Government must move fast and restore the confidence of the people. If small investors lose confidence, the ability to raise money will be severely hampered. So, an independent inquiry like a JPC should be constituted to find out the truth so that the real culprits are brought to book and in order to prevent the UTI from further deterioration. With these words, I conclude. Thank you.

श्री संजय निरुपम (महाराष्ट्र) : उपसभाध्यक्ष महोदय, नाराज मत होइएगा। उपसभाध्यक्ष जी, पिछले हफ्ते से जिस विषय पर चर्चा चल रही है वह विषय है "यू.टी.आई. में स्कैम"। 24 या 25 जुलाई को इस सदन में राघवन साहब की तरफ से यह चर्चा शुरू हुई थी और हम माननीय वित्त मंत्री जी को बता रहे थे कि यू.टी.आई. में क्या-क्या हुआ। लेकिन मुझे पूरी तरह से याद है कि 13 मार्च को इसी सदन में शेयर स्कैम पर, शेयर बाजार घोटाले पर जब हम यहां चर्चा कर रहे थे, तब भी, यू.टी.आई. में क्या हो रहा है और वहां क्या होने वाला है, इस बारे में, माननीय वित्त मंत्री जी को हम आगाह कर रहे थे। खुद मैंने जो स्पीच दी थी, उसमें मैंने यू.टी.आई. का जिक्र किया था और उस पर मैंने क्या बोला था, मैं चाहता हूं कि उसको मैं यहां पर रिपीट करूं, उसकी याद दिलाऊं। मैंने कहा था कि "अब मैं यू.टी.आई. पर आना चाहता हूं। इसमें यू.टी.आई. की सबसे महत्वपूर्ण भूमिका है और इसकी भूमिका की जांच निश्चित तौर पर होनी चाहिए। लगभग 70 से 75 हजार करोड़ रुपया इसमें यू.टी.आई. का शामिल है। यह जो इन्वेस्टमेंट है यह आम आदमी का इन्वेस्टमेंट है। सबसे बड़ा प्लेयर आज की तारीख में शेयर मार्केट में यू.टी.आई. है। यू.टी.आई. ने कितना पैसा लगाया है, इसका मैं पता लगाने की कोशिश कर रहा था, मैं जानना चाह रहा था, मैं कई वेबसाइट पर गया कि यू.टी.आई. ने आखिर कितनी कंपनियों के शेयर खरीदें हैं, किस भाव पर खरीदें हैं। मैं इसके बारे में बताना चाहता हूं कि यू.टी.आई. वाले इस इन्फार्मेशन को डिस्कलोज नहीं करते हैं। यू.टी.आई. की रिपोर्ट में ये सारी बातें नहीं हैं। ओवरआल बता देते हैं कि कितने शेयर हमने खरीदे। मैं माननीय वित्त मंत्री महोदय, आपसे निश्चित तौर पर जानना चाहूंगा कि यू.टी.आई. ने आखिर किन किन कंपनियों के शेयर प्लेसमेंट किए? जिन कंपनियों के शेयर की कीमत पांच रुपए, चार रुपए, तीन रुपए थी, वे शेयर

75 रुपए, 100 रुपए में लिए गए हैं। हो सकता है कि यह अफवाह हो। अगर यह अफवाह है तो आप साबित कर दीजिए और मुझे बताइए कि मेरी जानकारी गलत है।"

आज फिर हम उसी मुकाम पर खड़े हैं। पिछले हफ्ते से जो चर्चा हो रही है, वह बिल्कुल इसी विषय पर चर्चा हो रही है कि आखिर यू.टी.आई. ने क्या किया। यू.टी.आई. स्कैम में हमारे विपक्ष के कुछ साथियों ने माननीय वित्तमंत्री जी के इस्तीफे की मांग की है। मैं इस्तीफा नहीं मांगूंगा और वे इस्तीफा देने वाले भी नहीं हैं। इसलिए इस्तीफा मांगने का कोई मतलब नहीं है। राजगोपाल साहब पूछ रहे थे कि क्या आप भी इस्तीफा मांगने वाले हैं। मुझे कहना है कि हमें अगर इस्तीफा मांगना ही होगा और अगर हमें ऐसा लगेगा तो हम लोग सपोर्ट वापस ले लेंगे, इसलिए इस्तीफा मांगने की क्या जरूरत है। यह सब हम नहीं करने जा रहे हैं। हम बार बार कह रहे हैं कि जो कुछ गलत हुआ है या गलत हो रहा है, उसके प्रति आप सचेत हों जाएं। पूरी व्यवस्था बरबाद हो रही है। मैं इस्तीफा क्यों नहीं मांग रहा हूँ। इसके दो-तीन कारण हैं। एक तो इस्तीफा मांगने से यूएस-64 में इन्वेस्टर्स का जो पैसा डूबा है, लघु निवेशकों का जो पैसा डूबा है, क्या वह इससे वापस आ जाएगा? दूसरा, अब कौन कौन इस्तीफा देंगे। रोज कहीं न कहीं कोई न कोई दीख रहा है। कैसे किसी से मांगें? हम तो आज सर पीट रहे हैं। ...*(व्यवधान)*...

उपसभाध्यक्ष महोदय, मेरा समय बरबाद नहीं होना चाहिए। मुझे बहुत कुछ बोलना है और मुझे बोलने का मौका मिलना चाहिए।

तीसरी महत्वपूर्ण बात यह है कि यू.टी.आई. में जो घोटाला हुआ है उसके लिए सिर्फ वित्त मंत्रालय जिम्मेदार नहीं है। कहा जा सकता है कि यू.टी.आई. को चारों तरफ से लूटा गया। मैं एक शब्द का इस्तेमाल करना चाहूंगा कि उसका घीर हरण किया गया। चाहे वह प्रोमोटर्स हों, ब्रोकर्स हो, पोलीटीशियंस हों, सरकार में शामिल लोग हों या सरकार से बाहर के लोग हों, अखबार वाले हों या टीवी वाले हों, सब ने उसको लूटा है। जानना अब यह है कि उसको कितना लूटा गया है। मेरा कहना सिर्फ यह है कि अंततः वित्त मंत्रालय, वित्त मंत्री की कोई जवाबदारी है, जिम्मेदारी है। या तो इन्होंने इसको इग्नोर किया या आपने जैसा बताया कि यह आटोनामस बाडी है और उसके कार्यकलापों में एंटरफेयर करना उचित नहीं था, इसलिए इन्होंने कुछ नहीं किया। इस मुद्दे पर भी मैं आऊंगा कि कितना इन्टरफेयर इस पूरे मामले में किया गया। लेकिन आपने जो बार बार आटोनामी की बात की है कि आटोनामस बाडी में इन्टरफेयर करना उचित नहीं है और उसको स्वतंत्र तरीके से, स्वायत्त तरीके से काम करने दिया जाना चाहिए, तो या तो स्वायत्तता की बात सोचकर आपने इसको छोड़ दिया या किसी न किसी का वेस्टेड इंटरेस्ट इसमें था। जो कुछ भी था यू.टी.आई. बरबाद हुआ। इस देश का सबसे बड़ा जो फाइनेंशियल इंस्टीट्यूशन था, जिस पर इस देश के करोड़ों निवेशकों का विश्वास था, उस विश्वास की हत्या हुई और यू.टी.आई. आज सड़क पर है। एकदम खुलेआम यू.टी.आई. की बदनामी हो रही है। यू.टी.आई. पर सारे इन्वेस्टर्स का विश्वास खत्म हो चुका है। यू.टी.आई. के एक एक्जिक्यूटिव डाइरेक्टर डागा साहब हैं, उनका कहना है कि : We are the creator of an Act -- the Unit Trust of India Act, 1963. The Government of India is our parent. I cannot change my parent; I can change my father-in-law.

मैं मानकर चलता हूँ कि यू.टी.आई. के पैरेंट यहां बैठे हुए हैं - माननीय वित्त मंत्री महोदय ! यू.टी.आई. की फंक्शनिंग के बारे में मुझे कुछ बोलना है। ठीक है कि इस कंपनी में

कितना पैसा डूबा यह तो सचमुच किसी को नहीं मालूम है। शायद ये जो यू.टी.आई. के चेयरमैन इस समय जेल में हैं उनको भी अच्छी तरह से नहीं मालूम होगा। लेकिन मुझे बुनियादी तौर पर यह कहना है कि यू.टी.आई. का जो कारपोरेशन था आपको उसके बारे में जानकारी होनी चाहिए थी। वह जानकारी आप हासिल कर सकते थे। मसलन जब यू.टी.आई. बैड इन्वेस्टमेंट कर रहा था उस समय के जो बोर्ड आफ ट्रस्टीज थे जिनका नाम अभी गुप्ता जी ने बताया, वे कहां थे, वे क्या कर रहे थे? उनकी भी तो अपनी रिस्पॉसिबिलिटी बनती है। बोर्ड आफ ट्रस्टीज की पिछले एक साल में कितनी बैठकें हुईं? सारा कुछ चेयरमैन अपनी तरफ से डिसिजन लेते जा रहे हैं। यह व्यवस्था नहीं होती है। एक बोर्ड है। बोर्ड का चेयरमैन है। कोई भी बड़ा डिसिजन लेने से पहले - हजार हजार, दो-दो हजार करोड़ का डिसिजन लेने से पहले आप ट्रस्टीज से परमिशन लें, ट्रस्टीज की बैठक करें। बैठकें नहीं हुईं। जो आईज शेयर्स होते हैं - आई टी, कम्युनिकेशन और इंटरटेनमेंट - पिछले एक-दो साल में मुम्बई में जिनकी खूब चर्चा हुई - तो क्या बोर्ड आफ डायरेक्टर्स ने, आईज शेयर्स की कंपनियों के जो शेयर्स टूट रहे थे, उसकी सूचना बोर्ड आफ ट्रस्टीज को कभी दी? क्या कभी यू.टी.आई. के एक्स चेयरमैन ने बोर्ड आफ ट्रस्टीज को यह बताने की कोशिश की कि यह जो पूरी खरीदारी है और शेयर मार्केट में जो उतार चढ़ाव हो रहा है उसका यू एस 64 की हैल्थ पर क्या असर पड़ेगा? यह सारी जानकारी सरकार के पास हो सकती है। यह सारी जानकारी सरकार मंगा सकती है कि बोर्ड आफ ट्रस्टीज की मीटिंग में क्या-क्या हुआ। क्या बोर्ड आफ ट्रस्टीज ने यू.टी.आई. के रिजर्व में हो रही कमी के प्रति आगाह किया था? बोर्ड आफ ट्रस्टीज ने यू.टी.आई. का जो रिजर्व है जो निगेटिव होता चला जा रहा था उसके प्रति बैठक करके आगाह किया था? क्या सरकार को इसकी जानकारी है? क्या वित्त मंत्री महोदय जानने की कोशिश कर रहे थे? क्या यू.टी.आई. की दयनीय दशा या एकदम निगेटिव कंडीशन की जानकारी बोर्ड आफ ट्रस्टीज ने कभी दी थी? क्या आपने जानना चाहा? क्या यू.टी.आई. प्रबंधन ने बोर्ड को यू एस 64 की बढ़ती परेशानियों की जानकारी दी थी? कब? कब, मैं जानबूझकर पूछ रहा हूँ क्योंकि मुझे इसमें कुछ मालूम है। लेकिन मैं सारी बातें अपनी तरफ से नहीं रखना चाह रहा हूँ। सरकार की तरफ से मैं चाह रहा हूँ कि वह सदन में रखे, बताए। क्या बोर्ड आफ ट्रस्टीज ने यू.टी.आई. को इस दलदल से निकालने का कोई रास्ता सुझाया था? जैसे दीपक पारिख कमेटी ने कुछ बताया, कुछ रास्ते बताए थे। सारी की सारी बातें अच्छी नहीं हैं उनकी। सारी की सारी बातें नहीं मानी जा सकती हैं। लेकिन क्या बोर्ड आफ ट्रस्टीज ने कभी बताया कि यू.टी.आई. को इस दलदल से कैसे निकाला जाए? क्या था वह रास्ता? उस रास्ते के बारे में क्या वित्त मंत्री महोदय को कोई जानकारी है? क्या आप कह सकते हैं कि यू.टी.आई. और मैनेजमेंट के कामकाज की पूरी जानकारी बोर्ड को थी? यू.टी.आई. के एक्स चेयरमैन जो लगातार धुंधलाधार इन्वेस्टमेंट के निर्णय लिए जा रहे थे, क्या उसकी जानकारी बोर्ड आफ ट्रस्टीज को थी? दीपक पारिख कमेटी ने कहा था कि यू.टी.आई. को सुधारने के लिए तथा यू एस 64 को बचाने के लिए कुछ महत्वपूर्ण कदम उठाने चाहिए। क्या उन सुझावों पर कभी भी बोर्ड में चर्चा हुई? मेरा इस सीरीज में अंतिम प्रश्न है कि क्या 1999 में यू एस 64 को जो झटका लगा था, उस झटके से उबारने के लिए जो बेल आउट किया गया था, साढ़े तीन हजार करोड़ दिए गए थे, तब यू एस 64 को वह झटका क्यों लगा? यू.टी.आई. का रिजर्व निगेटिव क्यों हुआ? क्या आज तक इसकी ईमानदारी से छानबीन करने की कोशिश की गयी? बुनियादी तौर पर प्रश्न यह है, जिसके बारे में आज तक हमारे यहां चर्चा नहीं हुई और वित्त मंत्री महोदय ...(समय की घंटी)... लीजिए अभी तो मैंने शुरू किया है।

हमारा दुख यह है कि वित्त मंत्री महोदय, हमारे प्रश्नों का सही ढंग से जवाब नहीं देते हैं, झुठला देते हैं। कुछ भी बोलें - नहीं, नहीं आपको कुछ भी मालूम नहीं है। जैसे शेयर मार्केट के स्कैम के बारे में यहां चर्चा हो रही थी जिन बातों को इतनी बारीकी से उठाया गया - इस सदन के कम से कम 8-10 सदस्यों ने बहुत बारीकी से शेयर मार्केट के घोटाले के बारे में यहां पर प्रश्न उठाए थे, उन प्रश्नों में से किसी प्रश्न का जवाब नहीं दिया गया। जब जब हमने जो कुछ पूछा उसका सीधा इन्कार किया गया। बाद में उसी को रिपीट किया गया। बाद में इन्होंने माना। हमने कहा, हमने मांग की कि जे पी सी बनाइए। उन्होंने कहा जे पी सी नहीं चाहिए। एक डेढ़ महीने के बाद जे पी सी बना दी। एक डेढ़ महीना नहीं बल्कि कुछ दिनों के अंदर ही जे पी सी बना दी। हमने बोला शेयर मार्केट में पेमेंट क्राइसिस है। इन्होंने बोला there is no payment crises बाद में पेमेंट क्राइसिस हुआ और मुम्बई का एक बहुत बड़ा शेयर ब्रोकर अंदर गया। 52-53 दिन तक अंदर रहा। हमने उसी समय कहा था यू.टी.आई. में कुछ गड़बड़ हो रही है, यू.टी.आई. को बचाने की कोशिश करिए। हमारे वित्त मंत्री महोदय उस समय ध्यान दिए होते तो सचमुच आज यह नौबत नहीं आती ...**(व्यवधान)**... अब वह आप लोग पढ़िए। अब जो सबसे खतरनाक बात है, यू.टी.आई. का जो काम है जो म्यूचुअल फंड है उसका काम है मार्केट में पैसा डालना, या तो इक्विटी के रूप में या डेट के रूप में। म्यूचुअल फंड का काम यही होता है। हम इसके खिलाफ नहीं हैं। जब शेयर मार्केट एकदम उठान पर थी तो उसने खूब पैसा डाला। मार्केट क्रैश हो गया। 13 मार्च को यहां पर चर्चा हुई, तहलका स्कैम हुआ और उसके बाद यू.टी.आई. को बोला जाता है कि मार्केट को बचाने के लिए पैसा डालो। यहां पर ज्यादातर चर्चा इस बात पर हुई थी कि किस कंपनी में यू.टी.आई. ने कितने पैसे डाले और किस भाव से खरीदे। मैं बताना चाह रहा हूँ कि ब्लैक फ्राइडे के बाद जबकि पूरी मार्केट खत्म हो गई थी, बर्बाद हो गई थी, उस समय यू.टी.आई. ने पैसे डाले और बड़े पैमाने पर डाले। वह किसके कहने पर डाले? ...**(व्यवधान)**... अब वह भी निकाले जायेंगे। दो-तीन कंपनियां हैं, जैसे जी टेलीफिल्म्ज, डीएसक्यू ग्लोबल, एचएफसीएल। इन सारी कंपनियों में 13 मार्च के बाद जिस दिन लगभग 185 प्वायंट के आस-पास मार्केट गिरा है उसके बाद जाकर मार्केट में पैसे डाले गए और यू.टी.आई. ने सब से ज्यादा शॉपिंग की। डीएसक्यू के 13 लाख 30 हजार शेयर 188 रुपये के भाव से खरीदे जो कि आज 42 रुपये का भाव है। हम चाहते तो यू.टी.आई. को बोल सकते थे कि अब रुक जाओ, अपने आपको संभाल लो। जिस समय सारे लोग अपने शेयर बेच कर मार्केट छोड़ कर भाग रहे थे उस समय यू.टी.आई. को फिर से बलि का बकरा बनाया गया।

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) :** बहुत हो गया।

**श्री संजय निरुपम :** अभी बोलने तो दीजिए। आखिर हम चर्चा कर रहे हैं।

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) :** एक सैकंड।

**श्री संजय निरुपम :** आप टाइम काउंट कर रहे हैं। ...**(व्यवधान)**... हम यहां पर चर्चा कर रहे हैं या टाइम काउंट कर रहे हैं? यह इतना बड़ा मामला है। 32 हजार करोड़ रुपये डूबे हैं ...**(व्यवधान)**...

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) :** संजय जी, हमको तो हमारे टाइम के हिसाब से चलना पड़ेगा और इस समय मुझे आपका कोआपरेशन भी चाहिए। आपने कहा छोटी पार्टी, मैं तो एसएस यूनिट वालों में हूँ, मैं चाहता हूँ एसएसआई वालों को जरा ज्यादा फायदा मिले, तो आपको

तो 300 परसेंट ज्यादा टाइम मिला है अगेन्स्ट 50 परसेंट टू अदर बिग पार्टीज़। अब इससे ज्यादा और कितना टाइम आपको चाहिए? I mean, I will also have to run the House. यदि आप नहीं चाहते कि यह हाउस चले तो यह आपकी मर्जी है।

**श्री संजय निरुपम :** अगर मैं गलत बात बोलूंगा ...(व्यवधान)... इल्लॉजिकल बात बोलूंगा तो आप मुझे बैठा दीजिएगा।

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) :** आल आनरेबल एमपीज़ अच्छा बोलते हैं, सब सही बात बोलते हैं, कोई इल्लॉजिकल बात नहीं बोलता। लेकिन फिर भी समय की पाबंदी से नहीं चलेंगे तो आप ही को असुविधा होगी।

**श्री संजय निरुपम :** यह जो घंटी का आतंक है उसको आप जरा कम करें। मैं बोलना चाहता हूँ, मैं बड़ी शांति से अच्छी बात करना चाह रहा हूँ। मैं झगड़ा करने के मूड में नहीं हूँ।

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) :** आप बोलिए कि कितना समय आपको और चाहिए? आप खुद ही उस दिन बोले, किसलिए बोले और आज आपने हमको क्वेश्चन किया कि उनको क्यों एलाउ किया। फिर आप बोलेंगे इनको 300 परसेंट टाइम क्यों ...(व्यवधान)...

**श्री नीलोत्पल बसु :** इसीलिए तो मैं बोल रहा हूँ कि अलग-अलग पार्टी के लिए अलग-अलग मापदंड नहीं अपनाना चाहिए।

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) :** यही तो मैं चाहता हूँ कि ऐसा नहीं हो।

**श्री नीलोत्पल बसु :** वही तो। आप गिन लो कि तीन मिल कर कितना बोले हैं और दूसरे छोटी-छोटी पार्टियों के कितने लोग बोल रहे हैं।

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) :** मैं उसी हिसाब से बोल रहा हूँ।

**श्री नीलोत्पल बसु :** हमने मापदंड दिया इसलिए नहीं कि कपिल सिब्बल कांग्रेस पार्टी से हैं और रेलेवेंट बात कर रहे हैं इसलिए उनको एलाउ किया। उस दिन ऐसा बोला गया। तो आज संजय निरुपम जी अगर रेलेवेंट बात कर रहे हैं तो उनको भी समय दिया जाए।

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) :** बसु जी, मैंने कहा कि प्रोपोर्शनेट टाइम से उनको 50 परसेंट के बजाय 300 परसेंट टाइम दिया गया है, और आप क्या चाहते हैं? समय की पाबंदी तो करनी ही पड़ेगी। इसका मतलब है कि अनलिमिटेड टाइम तो मिल नहीं सकता। इसलिए आप संजय जी को बोलिए कि और कितना समय चाहते हैं। क्या और दो मिनट?

**श्री संजय निरुपम :** नहीं-नहीं, दो मिनट नहीं। मुझे कुछ और बोलना है। मुझे बोलने दीजिए।

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) :** हां ...(व्यवधान)...

**श्री संजय निरुपम :** मैं बोलता हूँ। मैं बोल कर खत्म करता हूँ। बोल कर मैं खुद बैठ जाऊंगा।

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) :** ऐसे अनलिमिटेड टाइम तो मैं दे नहीं सकता।

श्री संजय निरुपम : अनलिमिटेड नहीं, जो है वही बोलूंगा। ...(व्यवधान)...

उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) : नहीं-नहीं, फिर भी आप बोलिए कि एक मिनट या दो मिनट?

श्री संजय निरुपम : प्लीज, उपसभाध्यक्ष महोदय, मैं तैयारी करके आया हूं, मुझे जरा शांति से बोलने दीजिए। बहुत सारी बातें हैं, बहुत सारी अच्छी बातें हैं। मुझे लगता है कि जो जानकारी मैं दे रहा हूं उससे वित्त मंत्री महोदय को भी फायदा होगा। बस, घंटी का आतंक कम किया जाए।

उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) : नहीं, अब आप तीन मिनट से ज्यादा मत बोलिए।

श्री संजय निरुपम : नहीं, फिर मैं नहीं बोलता। तब फिर आप रहने दीजिए। मुझे नहीं बोलना है।

उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) : मुझे हाउस चलाना है। मतलब आप अगर टाइम लिमिट ही नहीं करेंगे ...(व्यवधान)...

श्री संजय निरुपम : मुझे नहीं बोलना है। ...(व्यवधान)...

उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) : अगर इस तरह आप बोलते रहेंगे तो अनलिमिटेड टाइम तो मैं नहीं दे सकता।

श्री संजय निरुपम : यह कोई तरीका नहीं होता। 32 हजार करोड़ रुपये शेयर्ज में डूब गए और आपको हाउस चलाने की चिंता लग रही है।

उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) : देखिए, गुस्सा करने से निरुपम जी, मेरे ऊपर कोई असर नहीं होगा। मुझे भी हाउस चलाना है।

श्री संजय निरुपम : आपको हाउस चलाने की चिंता है। ...(व्यवधान).... यह क्या तरीका है।

उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) : आपका जितना टाइम था उससे ज्यादा टाइम दे दिया। पन्द्रह मिनट दे दिए गए।

श्री संजय निरुपम : मैं रेक्वेस्ट कर रहा हूं कि मुझे अपनी बात खत्म करने दीजिए। आप घंटी पर घंटी बजाए जा रहे हैं। ...(व्यवधान).... जब चतुर्वेदी जी के पास पांच मिनट थे तो उनको एक घंटा पांच मिनट क्यों दिए गए?

उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) : आपको अभी बोलना है या नहीं?

श्री संजय निरुपम : ऐसे मैं नहीं बोलूंगा। यह कोई तरीका नहीं है।

उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) : ठीक है। ...(व्यवधान)...

SHRI B.P. SINGHAL (Uttar Pradesh) : Mr. Vice-Chairman, it is a

shame. Nobody can defy the Chair in this manner, whoever he may be. ...*(Interruptions)*...

**श्री नीलोत्पल बसु :** क्या है, उनको आप बोलने दीजिए।

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) :** अब वह नाराज़ हो रहे हैं। Do you want that the Chair should be treated like this? Basuji, do you want that the Chair should be treated like this? You are also a Vice-Chairman ...*(Interruptions)*... I am putting you this question. ...*(Interruptions)*...

**SHRI NILOTPAL BASU:** Sir, we should devise a method that those who are speaking relevant points, I mean, in spite of the fact that they may be taking some more time ...*(Interruptions)*...

**SHRI B.P. SINGHAL:** Mr. Vice-Chairman, Sir, that is not the point. ...*(Interruptions)*...

**SHRI NILOTPAL BASU:** We never raised that question. ...*(Interruptions)*...

**THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA):** I would like to know, who is going to judge as to who is speaking relevant and who is speaking irrelevant. Who is going to judge that? And the time factor has also to be taken into consideration ...*(Interruptions)*...

**श्री एस.एस. अहलुवालिया :** उपसभाध्यक्ष जी, यह बहुत ही अहम मुद्दा है और पूरे भारत को इस पर चिंता है। यह दो करोड़ निवेशकों का सवाल है तो जब बी.ए.सी. ऐसे विषय पर फैसला लेती है तो उसे फैसला लेते वक्त ध्यान देना चाहिए कि इतने लोग बोलेंगे और लोगों को खुला टाइम मिले। यह तो घंटी का आतंक है क्योंकि सदस्य तैयारी कर के आता है और उस को पूरा समय न मिले और एक पार्टी दूसरी पार्टी पर आरोप-प्रत्यारोप करे कि उस को क्यों ज्यादा टाइम दे दिया, इस को कैसे दे दिया - यह अच्छी बात नहीं है। इसलिए बी.ए.सी. को ऐसा फैसला लेना चाहिए कि सब को टाइम मिल जाय। अब उन्हें बोलने दीजिए।

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) :** अहलुवालिया जी, बी.ए.सी. ने जो निर्णय दिया, उस निर्णय के हिसाब से मैं चल रहा हूँ, उस के बाद भी जैसी हाउस की इच्छा है, जैसी एम.पीज. की इच्छा है, उस को ध्यान में रखते हुए आप को बताया कि उन को 300 परसेंट मोर टाइम दिया गया है। अब या तो आप बोलो कि कोई टाइम लिमिट नहीं, कोई डिस्सीप्लीन नहीं रखना है और जो जितना चाहे फ्री फॉर ऑल बोले या हाउस तय करे कि फ्री फॉर ऑल हो तो हम भी फ्री फॉर ऑल अलाउ करेंगे अदरवाइज हम नियम से नहीं चलेंगे तो यह हाउस नहीं चल सकता है।

**SHRI SWARAJ KAUSHAL (Haryana) :** Sir, you go by the sense of the House.

**श्री संघ प्रिय गौतम :** आप बी.ए.सी. से ज्यादा समय क्यों नहीं करा लेते? यह कोई तरीका नहीं है, इसलिए जो समय है उसी के अनुसार सदस्य बोलें।

**SHRI DIPANKAR MUKHERJEE:** Sir, there are senior Members, who have been here in the House for a number of years. There have been certain issues of a particular nature that many times it so happens in the House, when you give time...

**THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA):** Who is going to decide who will speak for how much time? Are you going to do that?

**SHRI DIPANKAR MUKHERJEE:** I am again trying to appeal to you. Please do not speak in that type of a tone. We have all been here in the house for years together. We know how the House is being run. But, if the issue involves so many people, in certain cases discussions have gone around. If somebody is talking relevant and is to the point and if the issue is sensitive and if we want to hear him, Sir...

**THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA):** Who is to decide whether the point is relevant or not?

**SHRI KAPIL SIBAL:** Sir, we have already spent ten minutes discussing how much time should be given to him. Instead of that, if he is given ten or fifteen minutes more, the matter should be over.

**THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA):** Sibal Ji, this always happens. If there is a controversy, we have to decide on that.

**SHRI KAPIL SIBAL:** But, why spend more minutes just on discussing something when you can give him ten extra minutes?

**THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA):** I would like to know the sense of the House.

**SHRI KAPIL SIBAL:** The sense of the House is to give him some more time.

**THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA):** Let the House say how many minutes.

**श्री संघ प्रिय गौतम :** पांच मिनट दे दीजिए।

**SHRI KAPIL SIBAL:** Ten minutes.

**SHRI PRANAB MUKHERJEE (West Bengal) :** Most respectfully I would like to submit, don't put this question to the House. These are

always decided by the Chair. Sometimes tempers run high. Please apply your discretion. You can give some more time. You can listen to him, and you will have to conduct the House. These matters are decided by the Chairman. Please don't take the sense of the House in this way.

**श्री संजय निरुपम :** उपसभाध्यक्ष जी, मैं सब से पहले क्षमा चाहूंगा। आप के ऊपर मुझे खामोखाह एक नाराजगी हो गयी, इस के लिए क्षमा करें। लेकिन उपसभाध्यक्ष जी, दुख होता है क्योंकि हम तैयारी कर के आते हैं।

उपसभाध्यक्ष जी, मुझे यह बताना है कि यू.टी.आई. में जो स्कैम हुआ, उसमें मुंबई से लेकर दिल्ली तक बहुत बड़ा नेक्सस काम कर रहा था। उस नेक्सस में प्रमोटर्स हैं, ब्रोकर्स हैं, यू.टी.आई. एज ए फायनेंसर है और उस के बाद पॉलिटीशियंस हैं। मैं पॉलिटीशियंस के नाम भी बता सकता हूँ, लेकिन मैं उस पर नहीं जाना चाह रहा हूँ। ...**(व्यवधान)**... महोदय, कल एक टी.वी. चैनल के ऊपर बहुत सारे फोन नंबर्स बताए गए और उस का जो तर्क है, जो जवाब है, वह भी मुझे मालूम है। उपसभाध्यक्ष महोदय, साइबर स्पेस कंपनी 17 जुलाई, 2000 से पहले एक रिजेक्टेड आइटम था। यू.टी.आई. का जो इनवेस्टमेंट रिसर्च ग्रुप है, उस ने इसे रिजेक्ट कर दिया और कहा कि हम को साइबर स्पेस में इनवेस्ट नहीं करना है। हम ने पहले से लगभग 2 लाख के आसपास शेयर्स खरीदे हैं तो बेतर है कि आप वह शेयर्स बेचकर जल्दी निकल आओ। महोदय, बावजूद उस के 17 से 21 जुलाई के बीच यू.टी.आई. डिजीजन लेती है कि इस में इनवेस्ट करना है। तो 17 से 21 जुलाई के बीच कौन-कौन से फोन जाते हैं, किस-किस के पास वह फोन करते हैं, मैं चाहता हूँ कि वह थोड़ी सी इनफॉर्मेशन मैं सदन के समक्ष रखूँ। मैं चाहता हूँ कि वह देश के समक्ष आए। ...**(व्यवधान)**... उपसभाध्यक्ष महोदय, 18 जुलाई, 2000 को यू.टी.आई. चैयरमैन दिल्ली में तीन नंबरों पर फोन करते हैं। ये तीनों मोबाइल नंबर हैं और किस के नंबर हैं, मुझे नहीं मालूम है। एक नंबर के बारे में थोड़ी सी गारंटी के साथ बोल सकता हूँ। उस में एक नंबर 9810180481 है। यह प्राइम मिनिस्टर के ऑफिस में रजिस्टर्ड नंबर है। ...**(व्यवधान)**... मुझे नहीं मालूम यह किस का नंबर है, लेकिन हम ने पता लगाया है। दो नंबर - 9811074666 और 9810180466 हैं। ये किस के नंबर हैं, बताया जाए। हो सकता है, उन के दामाद का नंबर हो। हो सकता है सुब्रह्मण्यम के दामाद का नंबर हो ...**(व्यवधान)**... एक मिनट, एक मिनट, मैं बोल रहा हूँ, हो सकता है कि सुब्रह्मण्यम के जवाई का नंबर हो लेकिन इस देश को बताना पड़ेगा कि जिस समय साइबर स्पेस की डील हुई, जिस समय यू.टी.आई. ने डिजीजन लिया कि साइबर स्पेस में फिर से पैसा डुबाना है, जिसकी वजह से आज वे अरेस्ट हैं, गिरफ्तार हैं, तो उनको बताना पड़ेगा कि उस दिन उन्होंने किस व्यक्ति को फोन किया, क्या बात की। हो सकता है फोन पर कुछ और बातें हुई हों, दोस्ती की बातें हुई होंगी, मौसम की बातें हुई होंगी, लेकिन सदन को बताना पड़ेगा, इस देश को बताना पड़ेगा। मैं किसी पर आरोप नहीं लगा रहा हूँ, लेकिन सदन के सामने जो जानकारी है, मैं उसको शेयर कर रहा हूँ सदन के साथ। 20 जुलाई को, जो क्रूशियल डेट है, जिस दिन साइन हुई यह डील, प्रेमा मधु प्रसाद, जो कि वहां की एक आफिसर है, जिसने कहा कि ओ.के. हमको इन्वेस्ट करना चाहिए, 20 जुलाई को जब साइन किया गया, उस दिन 2:00 बजे दिन में एक फोन आता है दिल्ली में यू.टी.आई. के एक्स चैयरमैन की तरफ से। जिसके पास फोन आता है, उसका नंबर बताता हूँ - 3011718, ये सज्जन कभी प्रधान मंत्री कार्यालय में थे, आज ये प्लानिंग कमीशन में मੈम्बर हैं। मैं अब इसके आगे कुछ नहीं जानता, मैंने

पढ़ा नहीं है, टेप भी सुना नहीं है, जो कि वे बार-बार धमकी दे रहे हैं उधर से, मुम्बई से कि मेरे ऊपर जो दबाव आए थे, जिन पॉलिटीशियन्स ने फोन किए थे, उनकी सारी बातचीत को मैंने टेप किया है और जयललिता जी के पास भेज दिया है। यह धमकी से काम नहीं चलेगा। सी.बी.आई. ने मुम्बई में जाकर बोला है कि साहब, 3 अगस्त के बाद हमको इनकी कस्टडी नहीं चाहिए। क्यों? सिर्फ 32 करोड़ के घोटाले में आपने उसको अरेस्ट किया, केस रजिस्टर किया, पूरा घोटाला 32 हजार करोड़ रुपए का है और इस 32 करोड़ के घोटाले में उसने वहां पर धमकाया। तो हम क्या धमक गए, डर गए? सी.बी.आई. ने क्यों बोला कि हमको इसकी कस्टडी नहीं चाहिए? बिल्कुल कस्टडी में रखना पड़ेगा, छान-बीन करनी पड़ेगी, पूछताछ करनी पड़ेगी और बाकी जो घोटाले हुए हैं, बाकी जो छोटे-छोटे इन्वेस्टर्स के पैसे डूबे हुए हैं, वह जानकारी निकालकर के देनी पड़ेगी। तो इस 3011718 पर, उसी दिन फिर, जिस नम्बर के बारे में मैंने बताया कि यह प्रधान मंत्री कार्यालय में रजिस्टर्ड नम्बर है, फिर 2:00 बजे वहां पर फोन आता है। ...*(व्यवधान)*...

श्री संघ प्रिय गौतम : यह क्या जरूरी है ...*(व्यवधान)*... How is it related? ...*(Interruptions)*...

श्री संजय निरुपम : भाई साहब, यह सबूत है। ...*(व्यवधान)*...

श्री नीलोत्पल बसु : बोलने दीजिए। ...*(व्यवधान)*... Let the Government come out with a transcript of the tape...*(Interruptions)*...

श्री संजय निरुपम : मैं मान लेता हूं, इन नम्बरों का ...*(व्यवधान)*...

श्री जीवन राय (पश्चिमी बंगाल) : किसके दबाव में ...*(व्यवधान)*...

SHRI DIPANKAR MUKHERJEE: He is speaking in the public interest, not in the party's interest...*(Interruptions)*...

श्री विक्रम वर्मा (मध्य प्रदेश) : उपसभाध्यक्ष जी, ...*(व्यवधान)*...

श्री जीवन राय : किसके दबाव में पब्लिक फंड ...*(व्यवधान)*...

श्री विक्रम वर्मा : आप वित्त मंत्री से चर्चा कर रहे हैं और टेलिफोन नम्बर बता रहे हैं? ...*(व्यवधान)*... अब टेलिफोन पर कौन किससे क्या चर्चा कर रहा है, इसका फाइनेंस डिपार्टमेंट से क्या लेना-देना? ...*(व्यवधान)*...

श्री सुरेश पचौरी (मध्य प्रदेश) : उपसभाध्यक्ष महोदय, ...*(व्यवधान)*... इन सारे नम्बरों का जिक्र कर रहे हैं और जिनके नामों का उल्लेख इन टेलिफोन नम्बरों से किया गया है, उन्होंने इस बात की पुष्टि की है कि ये उनके टेलिफोन हैं। ...*(व्यवधान)*... और जब उनका रिएक्शन जानने के लिए कहा गया तो योजना आयोग ...*(व्यवधान)*...

श्री विक्रम वर्मा : कौन किसको क्या टेलिफोन कर रहा है, इसका फाइनेंस मिनिस्ट्री से क्या लेना-देना है? ...*(व्यवधान)*...

श्री सुरेश पचौरी : उन्होंने इसकी पुष्टि की है। ...*(व्यवधान)*... उन्होंने बोला यह उनका नम्बर है। ...*(व्यवधान)*... फिर आपको क्या आपत्ति है। ...*(व्यवधान)*...

4.00 P.M.

एक माननीय सदस्य : आप भेज दीजिए न। ...(व्यवधान)...

श्री सुरेश पचौरी : घपले पे घपले। ...(व्यवधान)... एक घपला हो तो दबाएंगे, कितने घपलों को दबाएंगे? ...(व्यवधान)...

श्री जीवन राय : किसके दबाव में पब्लिक का यह रुपया ...(व्यवधान)...

श्री नीलोत्पल बसु : आप लोग छुपाने की कोशिश क्यों करते हैं। ...(व्यवधान)...

श्री रवि शंकर प्रसाद (बिहार) : सी.बी.आई. की इक्वायरी हमने कराई है, हमारी सरकार ने कराई है। ...(व्यवधान)...

श्री कपिल सिब्बल : मैं आपको यह बतलाना चाहता हूँ कि यह प्रदीप नारायण जिसका आप जिक्र कर रहे हैं वह एक ट्रस्टी हैं विश्व सम्याद केन्द्र के लखनऊ में और वी.एच.पी. के खास आदमी हैं। ...(व्यवधान)... मैं सिर्फ जानकारी दे रहा था, आपको तो मालूम है। ...(व्यवधान)...

श्री सुरेश पचौरी : साइबर स्पेस वाले जौहरी का भी बतला दीजिए। ...(व्यवधान)...

श्री संजय निरुपम : उपसभाध्यक्ष जी, हमारा अनुरोध सिर्फ इतना है सदन से और माननीय वित्त मंत्री महोदय से कि घोटाला तो हुआ, पैसा डूबा। किस का डूबा हम सब जानते हैं। इसकी छानबीन सही ढंग से होनी चाहिए। पता लगना चाहिए कि पैसा कहाँ गया, किसने खाया, किसने करवाया और अगर सी.बी.आई. इसमें मेनेज हो गई जिसका मुझे डर है जो एक आशंका लेकर जी रहा हूँ मैं, तो और भी बहुत बड़ा अन्याय हो जाएगा। मैं खत्म कर रहा हूँ, दो-तीन क्वेश्चन पूछता हूँ अपने माननीय वित्त मंत्री महोदय से।

इसी साल 28 मई को यू.टी.आई. के एक्स चेयरमेन ने फाइनेंस मिनिस्ट्री में एक चिट्ठी भेजी थी। वह चिट्ठी सदन में रखी जाए। यू.टी.आई. के एक्स चेयरमेन ने कौन सी चिट्ठी भेजी थी, उस चिट्ठी में क्या मांगा था? उन्होंने क्या परमिशन मांगी थी? और अगर परमिशन मांगी थी तो क्यों नहीं दी गई? वह चिट्ठी सबसे पहले सदन में रखी जाए। जैसा कि सी.बी.आई. ने कोर्ट में कहा है कि तीन अगस्त के बाद कस्टडी नहीं चाहिए यू.टी.आई. के एक्स चेयरमेन की। इस बारे में सदन को बताया जाए, मुझे बताया जाए कि क्या सचमुच इस तरह का स्टैंड है सी.बी.आई. का और अगर है तो क्यों है और इसमें क्या लोजिक है? दूसरी बात, यू.टी.आई. के एक्स चेयरमेन ने सी.बी.आई. को कहा है कि साइबर स्पेस का सौदा ऊपर से फोन आने पर हुआ। ऐसा कहा है उन्होंने, यह आफिशियली स्टेटमेंट आया है सी.बी.आई. की तरफ से। तो वह ऊपर के लोग कौन हैं बताया जाए? मेरे पास तो छुटपुट नम्बर हैं, आप उसके मोबाइल और एम.टी.एन.एल. के जितने भी नम्बर हैं, जितने भी डायल किए, जितने भी रिसीव किए उसके प्रिंट आउट सदन में रखिए, पता चल जाएगा कि कौन से लोग किस समय किस तरह से टच में थे। फाइनेंस मिनिस्ट्री के भी लोगों ने फोन किए। मैं मानकर चलता हूँ कि यू.टी.आई. फाइनेंस मिनिस्ट्री का पार्ट है। इस नाते फाइनेंस मिनिस्ट्री की तरफ से फोन गया, फाइनेंस सैक्रेटरी का फोन गया। ठीक बजट के दिन जिस दिन फाइनेंस मिनिस्टर यहां बजट पेश कर रहे थे उसके एक घंटे पहले फाइनेंस मिनिस्ट्री से फोन जाता है। उससे पूछा जाता है, बात की जाती है, उनको कुछ कंफाइड

किया जाता है कि बजट इस तरह का होगा। क्या होगा मार्केट में यह उनका प्रश्न है, इसमें मुझे नहीं जाना है। लेकिन जिस मिनिस्ट्री का कोई लेना-देना नहीं है यू.टी.आई. से उस मिनिस्ट्री के लोग और इधर के लोग फोन करते हैं तो शक जाता है। आप उस शक को दूर कर दीजिए। हो सकता है कि वह शक बेबुनियाद हो।

माननीय वित्त मंत्री जी से मेरा तीसरा सवाल है कि जून, 1999 से 2000 के बीच यू.टी.आई. के सारे जो प्राइवेट प्लेसमेंट हैं वह सदन में रखे जाएं। अब जो यू.टी.आई. की रिपोर्ट आती है वह उसमें कुछ नहीं बतलाते हैं। सिर्फ यह बतलाते हैं कि पिछले साल यह सौदा हुआ, यह लॉस हुआ, यह फायदा हुआ। हमको तो एक-एक कम्पनी के हिसाब से चाहिए। यह तो छोटी-छोटी कम्पनियां हैं, हजारों कम्पनियों ने इसको लूटा है। कुल 1300 कम्पनियां हैं। 1300 कम्पनियों में 300 कम्पनी रजिस्टर्ड ही नहीं हैं। 600-650 कम्पनियां ऐसी हैं जिनका पूरा ग्राफ नीचे जा रहा है, उसमें भी यू.टी.आई. लगातार इन्वेस्ट क्यों कर रही है, क्या दिलचस्पी है? क्या उसमें नुकसान हुआ, क्या उसमें लाभ हुआ यह भी बताया जाए। तो जून, 1999 से लेकर जून, 2000 के बीच यू.टी.आई. के प्राइवेट प्लेसमेंट कितने हुए हैं, सदन में रखे जाएं और किस कीमत पर शेयर खरीदे गए हैं और आज उसकी कीमत क्या है, यह भी बतलाने की कृपा की जाए। साइबर स्पेस तो एक कम्पनी है, बाकी इतनी छोटी-छोटी कम्पनी हैं जिसमें यू.टी.आई. ने प्राइवेट प्लेसमेंट किए हैं जिनके शेयर के भाव आज नगण्य हो गए हैं। उसमें एक्जेक्टली कितना नुकसान हुआ है यह भी सदन को बताने की कृपा करें?

यू.टी.आई. का बहुत बड़ा स्केम होने वाला था जो बच गया क्योंकि हम लोगों ने यहां सदन में शोर मचाया था जिसका कुछ फायदा हुआ। ग्लोबल ट्रस्ट बैंक में यू.टी.आई. का इंटरेस्ट था। वह यू.टी.आई. में उस बैंक को मर्ज करना चाह रहे थे। हमने यहां बहुत शोर मचाया था और हम बहुत खुश हैं कि तत्काल उस निर्णय को रोका गया। लेकिन उस समय आर.बी.आई. ने इनसाइड रिपोर्ट तैयार की थी ग्लोबल ट्रस्ट बैंक के शेयर के मामले में इनसाइडर ट्रेडिंग हुई है और कुछ रैगिंग हुई है शेयर की। वह रिपोर्ट कहां है, उस रिपोर्ट में क्या-क्या लिखा गया है उस रिपोर्ट को अगर सदन के समक्ष रखेंगे, सदन के पटल पर रखेंगे तो बहुत मेहरबानी होगी हमारे ऊपर।

एक और कम्पनी है जो बहुत ही हाई प्रोफाइल कम्पनी है। उस कम्पनी के बारे में मैं सदन में बतलाना चाहता हूं कि वह कम्पनी बेरन इंटरनेशनल है। इस कम्पनी में यू.टी.आई. ने कितना पैसा लगाया है मैं जानना चाहता हूं? आज उसके शेयर की प्राइस मुझे मालूम है लेकिन एक्जेक्टली कितना पैसा लगाया गया है यह बताया जाए, क्योंकि उस कम्पनी का दिल्ली के एक पॉवरफुल व्यक्ति से रिश्ता है उस कम्पनी के चेयरपर्सन का। तो उस कम्पनी के बारे में पूरी जानकारी चाहिए। उपसभाध्यक्ष जी, बातें बहुत हैं लेकिन मुझे लगता है कि सदन में बहुत गरमा-गरमी हो रही है, मैं अपनी बात को समाप्त करता हूं। नमस्कार।

**उपसभाध्यक्ष (श्री संतोष बागड़ोदिया) :** धन्यवाद। सदन में कोई गरमी नहीं है, बड़ी शांति से चल रहा है। श्री कुलदीप नैयर।

**SHRI KULDIP NAYYAR (Nominated):** Sir, I am not one of those journalists or newspapermen who have got some profit from UTI, or who have made some profit out of it, but I have lost; I am a victim. So, that is

how I come to the House. I am a victim of this fiscal terrorism which is going on on behalf of the Finance Ministry. Many years ago, I was up in the Press Gallery. Shri T.T. Krishnamachari was the Finance Minister. He said, "This is going to be the best of saving." When I got my provident fund, after completing my active 40 years of journalism, I put it there in the UTI. Now what do I do? Those certificates are a sheaf of papers, and that's all. This time, I got, for one certificate, only one rupee dividend! That is all; nothing else. But I believe that there are some companies which got the wind of it, and they withdrew the money. Who were they? Who told them? They are companies which are very well known. If they could be told, then the poor journalists should also have been told so that they could also withdraw and save their money.

I believe, Sir, that the establishment and the corporate world is the same. They are two sides of the same coin. I come to the autonomy of institutions, fiscal and other institutions. The Finance Minister may say whatever he wants to, but I refuse to believe that these financial institutions are not at the end of a telephone call of the Finance Ministry, or, for that matter, any PMO. We should do something whereby these financial institutions like UTI are really made autonomous, or the Government should withdraw from all the financial institutions. That would be better. Sir, I agree that there is some social purpose, there is some social angle. But, today, when this money is being utilised only to finance certain persons or certain parties or certain individuals or certain relations or certain political high-ups, then what is the use of having financial institutions?

I am also raising a bigger question, as to how these people come to be appointed. Now you have seen the case of the Chairman of the UTI. How did you really appoint him or the Chairmen of other companies? I personally think that they are the chosen people of the party-in-power. They are the very pliable kind of people. How do you constitute the Boards? In the same way! I suggest that there should be a regulatory body, or, for appointment of such persons, there should be a body with which the Opposition leaders should be associated, with which some eminent persons should be associated. It is something like the appointment of judges. Who does it? We are thinking of constituting a National Judicial Commission. Just like that, we can also think of constituting a body which can appoint these people.

Sir, I draw your attention to one very specific instance with the Government. See how these autonomous organisations are devalued

Prasar Bharati has a Director or a member, and the Government has also made him the Advisor to the Defence Ministry. How can you do this kind of a thing? That is an autonomous body. All of us have been fighting for it, that when Prasar Bharati would come into being, there would be freedom of information, there would be freedom of broadcasting. Then you appoint the same person to another post. So, there should be some kind of moral authority or some kind of moral diffidence on your part not to do certain things. Sir, when I come to this moral aspect, I think, whatever we may say, the ultimate moral responsibility of the whole thing comes on the shoulder of the Finance Minister.

Now, it is up to him to resign or not. I am not really concerned with that. But the moral responsibility is his. If we are not going to raise this kind of things, how do we really protect the interests of the entire country? How do we do that? After all, we are answerable to the country and the people. What is happening today? The people's faith in all the autonomous organisations, Government, the Ministers and others is going down very rapidly. That is going to tell upon the democracy as such; that is going to tell upon the well-being of our country; that is going to tell upon the prestige of our country. If sensitivity is not with the Minister, if sensitivity is not with the Government, what can we do?

Lastly, the problem with the Government is that its awareness of what is right and its ability to act according to right is gone. It has no realisation of what is wrong. When the dividing line between right and wrong, moral and immoral, ceases to exist, how do people know what is really right and what is wrong? If the Finance Minister and the Finance Ministry think that by ordering a CBI inquiry they have done a great thing, it is wrong. To start with, it is a case where a Supreme Court Judge should have been appointed or there should have been a JPC. This kind of inquiry is not going to give us anything. A lot of people here, Shri Kapil Sibal, Shri Sanjay Nirupam and others, have given certain details which, if looked into, would, probably, take us to some kind of a conclusion. But if the issue is left to the CBI and those retired Government servants--after all they are beholden to this Government for their appointment--it would not take us anywhere. I, therefore, implore and request the Finance Minister to tell me as to how he can save me from this kind of terrorism which is going on. What do I do about my money? Where do I get it? I am not a rich person and, may be, there are thousands and lakhs of people who have lost their money like me. It is all right for the ruling party's National Council to say,

"No, the Finance Minister will not resign". Yes, he may not resign. It is up to him. But has he got a moral responsibility? If he has, I think, he should tender his resignation. Thank you.

SHRI N. K. PREMACHANDRAN (Kerala): Thank you, Mr. Vice-Chairman, for giving me this opportunity to express my apprehensions on the UTI crisis due to freezing of sale and repurchase of US-64. At the outset, I would like to describe this as a financial scam which is being experienced for the last one decade. This august House had discussed so many scams in the last few sessions. In the last session, we discussed the stock scam as well as the Tehelka.com scam. Now, in this session, the precious time of this House is being used for discussing another scam. I would like to describe this as looting of the small investors by the corporates with the aid and assistance of the officials of Government of India. The Finance Ministry is solely responsible for this. The Finance Minister and the Finance Ministry can never evade the responsibility for this huge scam. The credibility of the Government of India is under threat.

Sir, this discussion started in the last week. Even when the discussion is going on, new facts are coming out in the Press. New facts are coming out everyday. Even in today's *Statesman*, in the Perspective column, there is one article, "The way the crores fly". These are not my words. It has been stated very specifically. It has been described as a gigantic fraud perpetrated in 1994. It says, "According to the Swadeshi Jagran Manch's S. Gurumurthy, this 'fraud' involved a two-tranche investment by UTI of Rs. 1,073 crores in the equity of a single corporate, Reliance Industries Limited (RIL). This, he says, "fatally knocked at the viability of UTI as early as 1995," and even involved the LIC and GIC." What does it show? That is why I say that it is a daylight looting of the small investors by the corporates with the help of the UTI officials and with the help of the Finance Ministry also. On a scientific analysis, it would become clear that the real cause of the present crisis is the policies of economic liberalisation pursued by the Government during the last so many years. The small investors, the middle class people and the lower income group people are not being taken into consideration. Only corporates are being taken into consideration who do not belong to the common people of the country.

I come to the present crisis. Under what circumstances was the UTI constituted? The UTI was constituted in the year 1963 by an Act of Parliament and the US-64 was introduced in 1964. What was the economic scenario during the 60s and 70s? The scenario was to help and encourage

the public enterprises. After the 90s the economic scenario has totally changed, i.e. discouraging public enterprises, encouraging private entrepreneurs and the corporates are being given much dominance in the economic policies and even in the budget also. There is a drastic change in the economic scenario. That has not been taken into consideration. After the Indo-China war, there was an economic recession. Because of the economic recession, no entrepreneur was willing to invest in the financial market. That is why the UTI was constituted and the US-64 Scheme was introduced with a view to encouraging the small investors, middle class people and lower income group people to invest money in the financial market. What was the debate in Parliament on that day? Due to constraint of time, I am not quoting it. The main desire was to stabilise the financial market. But what has happened now? It has become more volatile. The second desire was to encourage saving and investment by the small and middle class people and the third desire was to channelise the savings of the small investors into the industrial growth of the country. If these were the aims during 60s, what has happened after 90s? The statistical data shows that after 1993, the fundamental character of the US-64 had changed. The US-64 started investing aggressively in the equity at a higher rate. In the year 1997, the equity component in the US-64 portfolio was enhanced to 66 per cent. In the year 2000-01 it is enhanced to 75 per cent. The equity component has been enhanced to such an extent. The predominant debt fund has been converted into equity fund. There is a drastic change. Why is there such a drastic change? It is because of the neo-liberal economic policy. This is the result of that policy which we are discussing now. I would like to say that the present crisis is because of the more aggressive equity participation by the US-64 Scheme. Even after March, 2001, even after the Ketan Parekh's stock value falling, the UTI continued to invest in the stock market resulting in massive losses to the UTI. At the same time, redemption is also going on in connivance and with the knowledge of these persons. Also, the redemption of units by the corporate houses, during the months of April-May, was quite heavy; that is, worth about Rs.4,330 crores. Also, it is surprising to note -- this has already been highlighted by the Members of this House -- that the UTI had invested in 1,426 private companies; out of which, they are having appreciation in 81 companies and the rest 654 companies are either non-tradable or they are non-existent. Who is responsible for all these things? Do we believe that these things have happened without the connivance or without the knowledge of the higher officials of the Finance Ministry?

Another thing is that the main recommendation of the Deepak Parekh Committee has not been implemented. The Finance Ministry had been sleeping over the recommendations of the Committee. The main recommendation of the Committee was that the equity portfolio has to be maintained below 40 per cent. But this Government had not been able to contain the equity portfolio; in fact, the equity participation came to 75-76 per cent. So, even after the recommendation, linking of the US-64 with the Net Asset Value has not been done. Sir, another most important recommendation was that this scheme should also be subject to SEBI regulations. But no attempt has been made to control these things even after the experience of 1998. After taking charge, the Finance Minister assured this House several times that this would be dealt with seriously. But nothing has been done. Can the Finance Minister evade responsibility? It has been learnt from newspaper reports that the former UTI Chairman's Counsel had specifically stated in the Special Court that everything was done in consultation with the Finance Ministry. If that were so, can the Finance Ministry or the Government of India evade their liability on the whole issue? Just now, the legal luminary, Shri Nariman, was speaking about the responsibility and values of ethics. I fully support him. Here, what happened? Now, the UTI Chairman was removed. Why was he removed? The Government is having the authority and power of removing one Chairman and appointing another. Now, he has been removed and another IAS officer, the Joint Secretary of the RBI, has been appointed as the UTI Chairman. Why did not the Government react on 30<sup>th</sup> June itself? The Finance Secretary got the information on 30<sup>th</sup> June. And, on 2<sup>nd</sup> July, the Minister got to know about all these facts. Nothing was done. It was sleeping over all these recommendations. So, my submission is that the trust of India, that is, the credibility of the Indian trust has been sold as units, and that Trust is being closed down. And it is the Finance Ministry and the Government of India which is fully responsible for the scam. Therefore, I demand, and my party demands, nothing less than the resignation of the Finance Minister. With these words, I conclude.

SHRI S. PETER ALPHONSE (Tamil Nadu): Sir, I congratulate the Finance Minister for his courage, daring and boldness in facing the House. If I had been in his place, I would have resigned long back and I would not have faced Parliament because I belong to a totally different political spectrum; I am thin-skinned whereas he is thick-skinned. When Vajpayeeji became the Prime Minister, he promised a scam-free Government. That is

what he repeatedly said. What is the situation today? The Government itself has become a scam and the people, who are running the Government, have become scamsters. When Shri V.P.Singh was the Prime Minister, there was only one question: How long would V.P. Singhji be Prime Minister? When Shri Narasimha Rao became the Prime Minister, the only question was: How long would Shri Narasimha Rao be Prime Minister? And, when Shri Deve Gowda became the Prime Minister, the only question was: How long would Shri Deve Gowda be Prime Minister? But when Shri Vajpayee became the Prime Minister, the question is: How long would India be there? That is the situation now.

I do not have anything against the Finance Minister personally. On the other day, he made a statement in the House that the Finance Minister is not responsible for this scam and the Finance Ministry is not responsible for this scam. Sir, he should have resigned for having made this simple statement. UTI's investment is worth sixty thousand crores of rupees now and there are 87 schemes. In 1998, the very same Finance Minister gave three thousand crores of rupees to UTI, not from his own pocket, not from anybody's pocket but from the tax-payers' money. Three thousand crores for poor people meant laying of roads, hospitals, sanitation facilities, electricity facilities. All these facilities were denied and Rs.3000 crores were pumped into the UTI. And after this, the Finance Minister was daring enough to come here and say that he doesn't know anything about UTI! How can we take it? You have given Rs.3,000 crores from the tax payers' money and, every now and then, you have been informed. The Finance Minister, himself, is on record -- even in March, it has been published in the newspapers -- to say, "I am very much worried about the UTI. I have been talking to the Finance Secretary". That is what he said, and he is on record. Then how is it that he comes to this House and says that he is totally ignorant and that he doesn't know what is going on in UTI? They are making an attempt to give a new and different dimension to the whole scam. Somebody on that side wants to give the scam a dimension of the stock markets going up and down; there was a boomerang; then, it was coming down; it is due to new economic policy; that is due old economic policy. There is no dimension like that. It is a very serious financial fraud. It has no other dimension. It is no stock-market economy. It is no development economics. It is no new economic policy or old economic policy. It is a deliberate conspiracy by corporate crooks, dishonest officials, unholy politicians. There is no other dimension to this issue. It is a very

serious financial fraud. This House wants to know who is responsible for it. Where has the money gone? That is another important question. That is because it is the tax-payers' money. And even now, you are going to pay another three thousand crores. You have no other way out. You have no other way out to save the UTI, except to pump in a minimum of another Rs.3000 crores to save the UTI. Whose money is this? You have got a peculiar way and I will give you the instance of the Madhavpura Mercantile Cooperative Bank, where the Home Minister was *gheraoed* in his own constituency by the depositors. You had a simple solution. You gave another three hundred crores to that bank from the tax-payers' money. In Tamil Nadu, public who deposited five thousand crores in private financial companies are in the streets. We have got 188 private companies which have looted public money and we have not been repaid even a single pie by the Government. So, what is this special treatment to the Home Minister's constituency? Is it just because the Madhavpura Mercantile Bank is located there and the depositors are his voters? He is the Home Minister of this country. He has been favoured with this Rs.300 crores! I invite him to contest from Tamil Nadu in the next elections so that we will get all the five thousand crores. We will give him a free seat. We won't file nominations at all. We will set him elected! He should at least return five thousand crores to us.

I will request the Finance Minister to explain certain circumstances about which the House is ignorant. I am not an economist. I am not a financial wizard. What is the connection between Dipak Parikh, UTI and some overseas financial corporations...

SOME HON. MEMBERS: No. It is Ketan Parikh. Dipak Parikh is associated with that committee.

SHRI S. PETER ALPHONSE: Sorry. It is Ketan Parikh. *(Time Bell)* Sir, just three minutes. I have been waiting for the last four days. Kindly put up with me for some time more. So, there is this deadly triangle! I would like to know what the role is of this Parikh episode, the Global Trust Bank and some overseas financial corporations based in U.S. and the famous route called the 'via Mauritius route'. If the Finance Minister is able to make us understand that this scam has no connection whatsoever with that deadly triangle, we will be convinced. If he fails to explain, I think, democracy warrants the resignation of the Finance Minister. Some of my friends from that side found fault with the Opposition demand for the resignation of the Finance Minister. What else you expect us to do? To

recommend him for Bharat Ratna, for this expert management of the public money of Rs.60,000 crores? Is it not a fit case where we can ask for the resignation of the Finance Minister? Every cupboard in the Finance Ministry smells of a skeleton; every drawer smells of a dead rat. Your own man, the Chief, who used to collect revenue for the country is in CBI custody. And, tainted people meet the British Prime Minister, with corrupt people as emissaries of Prime Minister. When I was District Congress President, the then Prime Minister Rajiv Gandhi visited my district and I invited him to declare open a small building owned and run by one of our partymen. There was a report by the IB. It said, "This particular gentleman was convicted only once, for an offence not involving any moral turpitude, but because he *gheraoed* one government official". The Prime Minister's Office said that the Prime Minister would not attend the function. That was the standard of morality at that time. I don't understand how the Prime Minister of our country goes and declares open a building, when the person is in custody, when he is responsible for looting the public money of several crores. Mr. Finance Minister, your hands are tainted with the blood of innocent people for whom the next meal itself is a problem; who has no clothes to change. In a country where starvation deaths are reported in four States, I don't understand the logic behind giving crores of rupees, right and left, to the Tatas, Birlas, Infosys, Bombay Dyeing, Reliance, etc. I have read in history that certain foreign rulers, when they were here, looted our country -- first, the Islamic invaders and then the English people. At least, they robbed only the rich. You have robbed the poorest of the poor. How are you going to answer it? How are you going to say that you are not responsible for it? This is my submission. You have to explain it. A destitute widow from my constituency is not able to realise a small amount of Rs.10,000 kept for the marriage of her daughter, when Bombay Dyeing, Reliance, and Tatas are able to withdraw Rs.4,300 crores. I want to know whether this is a Government for the poor or the rich; whether all of you have joined together to loot the country. We won't be a party to it. We cannot allow that also. As you said, you are all patriots, *deshbhakts*. We are not pure Indians, original Indians! We are adulterated Indians, as per your guidelines!...*(Interruptions)*...

SHRI B.P. SINGHAL: Mr. Vice-Chairman, Sir, this is a very serious matter. Nobody said it. It is not correct....*(Interruptions)*...

SHRI S. PETER ALPHONSE: We never said so....*(interruptions)*...

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Mr. Alphonse, please finish now. You have taken double your time.

SHRI S. PETER ALPHONSE: Sir, this is my final request. Now, the point is, after the statement made by the counsel for Shri Subramanyam outside the Bombay High Court, the whole issue has assumed a new dimension. He has deliberately, the counsel has said, "Everything was done at the instance of the Finance Minister." When the Prime Minister was questioned by the Press, he said, "Do you believe him?" We did not believe him. It is you who believed him and appointed him as the Chairman. Your Cabinet Committee had cleared his appointment. It is you, it is the Prime Minister, it is the Finance Minister, it is the Cabinet Committee on Appointments which appointed him and believed him. Now, you ask us whether we believe him or not. It is not a question of belief. It is a question of accountability; it is a question of answerability; it is a question of political morality. It is a question of democratic decency which warrants nothing but the resignation of the Finance Minister. Thank you, Sir.

SHRI SHANKAR ROY CHOWDHURY (West Bengal): Mr. Vice-Chairman, Sir, really, there is nothing more to be said. The dimensions, the magnitude of figures, of the UTI, which have been revealed everyday are really such that they have no connection with the reality. Therefore, rather than repeating the details of the figures, which have been given by many of my distinguished colleagues, I will confine myself to only one thing: Who is accountable? Who is responsible? We have seen, Mr. Vice-Chairman, time after time, there have been crises which took place, scandals which took place in many parts of the country, in many branches of the Government; a lot of indignation is expressed. CBI inquiry is ordered, JPCs are set up, but, even till this date, we do not have the outcome of these commissions of inquiry.

In the matter of UTI, which is the latest in a series of scandals, we demand to know who is responsible. Is it the Ministry of Finance? Is it the Board of Directors? In the Ministry of Finance, is it the Finance Minister, who has said that he is not responsible? What about the Board of Directors then? We have, on the Board of Directors, official nominees from the IDBI, from the State Bank of India, and, no doubt, other people from the corporate world, whose job it was to see that such a catastrophe did not occur. This catastrophe did not take place overnight. There is sufficient

evidence to prove that the storm had been gathering for quite some time, and had corrective action been taken in time, you would have prevented today's state of affairs.

Mr. Chairman, Sir, this comes at a very vulnerable and sensitive time. It is creating a crisis of credibility in our entire financial system. It is creating a crisis of credibility in our entire system of governance. It comes at a time when, for the small investor, what he has got to invest, markets are fluctuating. At one time, he used to invest in stocks, he used to invest in the LIC, used to invest in the UTI, invest in banks, in the RBI, in the IDBI, in the post office, in the IFCI, and the ICICI. There must be many more in this list.

Today, the Stock Exchange, the Life Insurance Corporation, the UTI, are the casualties. Many of the banks are suspect now. So, where does the small investor go? Does he go now to the RBI? IDBI? Post office? How do we know what is going to happen there? Do we have any guarantee, any assurance, that what has been happening in these gigantic installations are not going to happen in other similar institutions in which the small tax-payer of this country has put his entire finance? This is coming, Mr. Vice-Chairman, Sir, at a time when the entire economic situation of the country is changing. It is coming at a time when, increasingly, the governance and the economic policies are taking a turn towards liberalisation, towards privatisation and towards marketisation. The industries are down-sizing. Workers are being given VRS. These workers are primarily investing the VRS money in the public financial institutions.

What guarantee have they got about safety? I demand to know from the Finance Minister an answer to all these questions. The Ministry of Finance among its other responsibilities is concerned with all economic and financial matters affecting the country as a whole, including mobilisation of resources for development. I am quoting from the Report from the Ministry of Finance, in which we have the Finance Minister and the civil servants themselves in the Ministry. What is their responsibility? All the Ministries are meant to oversee, to warn and to monitor. What has the civil servants component of the Ministry of Finance been doing to ensure that the Finance Minister, who claims that he was not informed, was kept informed of all this? If you read or look at the report submitted by the Ministry of Finance, they have an organisational chart and in that chart if you count the number of senior civil servants who are in charge of ensuring that the Ministry carries out its duties, there are no fewer than twenty-two. What have these Government servants been doing? Have they no role to play? Are they to

shrug off all responsibilities? The Minister has a political responsibility. It is the collective responsibility of the Government to see that such mishaps, such events, such diverse circumstances do not occur in any branch of governance. In this case, it has happened in the Ministry of Finance. Therefore, alongwith the Finance Minister, alongwith the Board of Directors, I would like to know what is the responsibility of the officials with the Ministry of Finance because we have seen in all inquiries, in all scandals, in all the Committees, it is either the Minister who is under pressure or the Board of Directors of that company? We have never, never, never heard as yet of a bureaucratic component of these Ministries coming under any kind of scrutiny. So, I demand, Mr. Minister that this Committee, which is to go into the functioning of the UTI for the last ten years, must investigate the responsibility at all levels; at the political level, at the functional level and above all at the level of the Ministry itself, that is, its bureaucratic component. Thank you, Sir.

SHRI PRAFUL PATEL (Maharashtra): Sir, the US-64 crisis has once again highlighted that all is not well with our premier investment institutions as well as the financial sector. Since 1998, it is very well known that there is tremendous erosion in the net asset value of US-64 and other schemes of the UTI. However, once that crisis blew over temporarily all was forgotten, including the Deepak Parekh Committee recommendations which were partially implemented and the rest were actually forgotten. The stock markets for a year or so after that were in a frenzy because of the overall market sentiments and the international frenzy about IT stocks which catapulted our markets also to the level of 6000 or so. As the sensdex went up, one saw a broader and broader smile on the face of the Finance Minister though he is not smiling now today. But definitely, I recall those days when everyday newspapers reported that the sensdex is at 6000 and what not and it is soon going to be at 10000. I remember on the Budget day and the next day when all the newspapers reported "dream Budget" and great things were written, the Finance Minister could hardly conceal his glee and delight.

As my friend, Mr. Ramachandraiah, was saying earlier, the mood in the country became such that once the Sensdex was going up, people thought the general health of the economy was also very buoyant and very healthy. These were absolutely misleading factors, and one knew that one day, the bubble had to burst. And it eventually did. It was followed by an international melt down in the IT stocks. First came the Ketan Parekh

bubble and, as a sequel to that, the UTI crisis and other things had to follow. I am sure -- Mr. Prem Chand Gupta also mentioned this -- that this is just the beginning. This is only the tip of the iceberg. This is a sequel to many more sequels in the future, which would be unfolding in the days to come. And, as Mr. Roy Chowdhury has just mentioned, the UTI is one of the many institutions where public have invested their money, thinking that it is as secure as with the Reserve Bank of India, because it is a Government institution. One cannot say that what has happened in the UTI today will not happen in the IDBI or in your Public Provident Fund Scheme or in your Postal Savings. This will lead to loss of faith and confidence in our financial institutions. After all, the UTI was considered as secure and as safe as the vault of the Government of India. But, obviously, things were going wrong. Sir, things have been going wrong since 1998. They knew that things were going wrong during the last few months. Many a time, even in this House, when the issue of the stock market and the UTI being the principal investor or player in the stock market, obviously, the Government ought to have known that the UTI will also have some kind of a problem because, if the stock market is facing a problem, if it is going down, some effect of that will, definitely, fall on the UTI. But, I remember, the hon. Finance Minister, in this very House, sometime in March, when things were going wrong, when there was a payment crisis in the Calcutta Stock Exchange, and when there were some other issues relating to the stock market, stood up here and assured us all and said, "Everything is well with the financial health of the stock market. Nothing is there to worry. Everything is under control. The SEBI is doing its job. All the institutions are performing well." Well, now, it is all clear. We all know that the bubble had to burst, and it has burst. And it has fallen flat on your face, Mr. Finance Minister. The entire House needs to know. You owe an explanation to this House and to this country. Ultimately, millions of people have been duped of their investment -- their hard-earned money. You know very well that Rs. 4,300 crores was redeemed from the UTI by big corporates. The big corporates redeemed their money at a price of around Rs. 13.5 to Rs. 14 plus, but the Finance Ministry did not know anything about it! You mean to say that you never used to talk to the Chairman of the UTI? You never used to have any dialogue with him? And, if at all you used to talk to him, which is quite regular and, I think, all of us are aware of, were you asking whether it was raining in Mumbai or whether it was snowing in Kashmir? I do not think that that was the case. I am sure, you would have been in touch, not only at your level; also there are many tiers in the Finance Ministry which are

supposed to monitor the functioning of not only the UTI, but all the financial institutions in the country. Even though, in the name of autonomy, you may say that we do not have to look into or dwell into their daily affairs -- it is true --but there has to be some mechanism where the Finance Ministry ought to know as to what is the health and shape of their financial institutions all over the country. And, I am sure there is a mechanism. All this has been overlooked. Sir, Rs. 4,500 crores has been withdrawn by the corporates. The corporates have made profits. I am not going into any particular instance. But I was just looking at one of the newspaper clippings prepared by our LARRDIS which shows that the Tata Power actually made a profit of Rs. 35 crores from US-64 redemption! It was sometime in the month of April/May, 2001. In this situation, the corporates have made profits. Whereas, I have been listening to the speeches of my friends about the investments made by the UTI -- the UTI had invested in Reliance or in some other companies. Well, I am not defending whether the decision was right or wrong. But, at least, those decisions had some merit because there is some substance in those companies. There is some kind of back-up. But as for the decisions which were taken in the case of so many other companies, the UTI did not even know about its promoters. Even the promoters of some of the companies are not known. Decisions have been taken in. 'BB' grade and investment grade companies have been given crores of rupees. Does it not reflect poorly on the entire system and the lack of monitoring from your side? When you were in the Opposition or your Party was in the Opposition, for any small thing you used to demand the resignation of the Government or of the Prime Minister of the day. What is wrong if today's Opposition is demanding your resignation, or your Government's resignation, Mr. Finance Minister? I think, the country and this House need to know what your views are on this matter. Shri Fali S. Nariman very eloquently spoke about certain checks and balances which are required in the system. Obviously, I may not entirely agree with all the views expressed by him, but, definitely, I think, the time has come when some kind of accountability and some kind of checks and balances have to be there. Mr. Finance Minister, I have been a Member of the Standing Committee on Finance ever since its inception. I have seen, from time to time, the UTI and other institutions appearing before the Committee. They have always told us that everything is well. Whenever the Committee brings up any questionable issue, we are told that everything is all right. I am sure, some kind of control must have been exercised by the Ministry of Finance. If you can remove the Chairman at the drop of a hat,

you could, definitely, have exercised a better control over the affairs of the UTI. I would also like to make a mention of the Madhavpura Bank, which my hon. friend has also mentioned. If the Home Minister's Constituency merits a special consideration of Rs.300 crores --I think, it is even more-- the Madhavpura Bank can be saved --I am not against that--why should not the common man and the investors be protected? But, at the same time, the UTI also needs some kind of a special attention. Dr. Manmohan Singh said here -- I was not present in the House that day, but I have read it in the newspapers -- that in the United States also, there was a savings and loans scam. The people's money amounting to billions and billions of dollars, was at stake. The US Government did its best to bail out the Savings and Loans Associations so that the common man and the poor investors did not lose. I think, it is time you take remedial measures and provide some kind of a support. What the mechanism will be, I leave this to your judgment, but that has to be announced here so that the people are assured. We are not just talking of the US- 64 crisis; we are not talking of the shortfalls in NAV - valuation. I would like to quote some figures which I am having. The US-64 mobilised Rs.2,661 crores during 2000-2001 compared to Rs.5962 crores by way of re-purchase or redumption, showing a net outflow of Rs.3,301 crores during the year. Now, with the loss in faith and confidence in the UTI and the way the people are losing money, do you think, as and when their shares come to maturity the people are going to purchase or reinvest in the UTI? The answer is definitely, 'no'. With this kind of a situation, you will not only require the kind of a package which you have announced, but also a Rs. 70,000 + corpus in various schemes, to save the UTI, you will be requiring more than Rs.10,000 crores. I am sure with the loss of faith among the public in the UTI schemes, the people will be withdrawing their money at the first available opportunity. Therefore, I think, you will have to take up all these issues very seriously. I do not want to mention about the other institutions. The IDBI is a classic case of an institution which, actually, has got a negative net worth today. It is because the Government has kept it afloat in some way or the other. The IFCI is already a lost case. The ICICI is one of the better institutions, but it always claims that it is not subject to Government control. I am surprised. They take protection under Section 4. On the other hand, the ICICI always says that theirs is a private institution; they are no more under the control of the Government. I am surprised because the people are investing in the ICICI only because they think that the ICICI is backed by the Government of India. If, tomorrow, something goes wrong, who will be held responsible for that?

The LIC is in a bad shape. They have lost a lot of money because of bad investments. All these issues will have to be taken into account properly. Corporate governance is just a word on the paper. As Mr. Gupta mentioned, who are the Directors and the Trustees on the Board of the UTI? If you mean to say that there is no Government control or accountability, it is absolutely a fallacy, it is just an eyewash. In fact, at times, one wonders why all these premier institutions are losing out their best talents, their investment fund managers, to private institutions. It is because they are better paid outside. Sir, a time has come to think about that also. Ultimately, if people are investing about Rs. 60,000, Rs. 70,000 or Rs. 80,000 crores of public money, of Government money, they must be well compensated *vis-a-vis* their other counterparts in the private institutions. I think we will have to take a close look at that also. All these issues have to be addressed at the earliest. I have lots of other issues which I can raise, but your time bell is quite deafening. So, I would just like to restrict myself, Mr. Finance Minister, to one issue that you will have to take a serious note about this, and also, when it comes to accountability, somebody will have to be accountable for the loss of thousands and thousands of crores of public money. Somebody will have to take the hit, and that somebody has to begin with you, Mr. Finance Minister. The buck must stop somewhere, as my friend Mr. Kapil Sibal prompts me to speak. Therefore, on behalf of my party, I seek the resignation of the Finance Minister.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Mr. Gandhi Azad, you have seven minutes please.

श्री गांधी आजाद (उत्तर प्रदेश) : धन्यवाद महोदय। यू.टी.आई. की स्थापना 1984 में हुई और यू.टी.आई. का भारतीय पूंजी बाजार में एक महत्वपूर्ण स्थान रहा है। इस देश के करोड़ों निवेशक अपने भविष्य की आशाओं को संजोये यू.टी.आई. में निवेश करते रहे हैं। यू.टी.आई. की इस प्रवृत्ति के कारण जो यह घटना घटी है, इस घटना के कारण इन निवेशकों का भरोसा यू.टी.आई. से उठ गया है। यू.टी.आई. के निवेशकों को उस समय और हताशा और निराशा होती है जब वित्त मंत्री द्वारा सदन में यह कहा जाता है कि यू.टी.आई. स्वायत्तशासी संस्था है और सरकार का इस पर कोई नियन्त्रण नहीं है। इससे करोड़ों निवेशकों का भरोसा सरकार से उठता नज़र आ रहा है क्योंकि यू.टी.आई. के गिरफ्तार पूर्व अध्यक्ष और दो अधिकारियों ने जो सीबीआई के समक्ष अपना बयान दिया है वह अपने को बचाने की कोशिश ही नहीं लगती बल्कि इस बात की गवाही भी है कि इस घोटाले के तार राजनेताओं से भी जुड़े हुए हैं। आज तक जितने घोटाले हुए हैं, उनमें प्रत्यक्ष या परोक्ष रूप से राजनेताओं की भागीदारी को दर्शाता है। अतः यह स्पष्ट रूप से कहा जाता है कि इस घोटाले में कहीं न कहीं राजनेताओं और खासतौर से वित्त मंत्रालय को अपनी जिम्मेदारी से मुकरना नहीं चाहिए। इस देश की जनता जानना चाहती है कि यदि सरकार का नियन्त्रण यू.टी.आई. पर नहीं था तो तीन वर्ष पूर्व यू.टी.आई. को वित्तीय संकट से बचाने के

**5.00 P.M.**

लिए वित्त मंत्री जी द्वारा सरकारी खजाने से 3300 करोड़ रुपया क्यों दिलवाया गया था। इतना अधिक रुपया सरकारी खजाने से एक संस्था को दिया जाए और उस पर किसी प्रकार का नियन्त्रण न हो तो यह कहाँ तक न्यायसंगत है? मान लिया जाये कि सरकार की यू.टी.आई. के क्रिया-कलापों से अनभिज्ञता थी, फिर भी प्रश्न पैदा होता है कि सरकार ने यू.टी.आई. के अनुचित निवेश पर निगरानी क्यों नहीं रखी? आज इस देश की जनता इस सरकार पर और यू.टी.आई. पर कैसे भरोसा करे, कैसे निवेश करे और अपने भविष्य को कैसे सुरक्षित रखे, जब सरकार ही अपने उत्तरदायित्व का निर्वहन ठीक से नहीं कर रही है। इस बात का स्पष्टीकरण सरकार को एवं वित्त मंत्री को देश की जनता के समक्ष देना चाहिए ताकि यू.टी.आई. के निवेशकों को भरोसा हो सके। धन्यवाद।

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Now, it is five o'clock. I would like to take the sense of the House. There is one more speaker; he is Cho. Ramaswamy. And there are two statements after that

श्री सुरेश पचौरी : उपसभाध्यक्ष महोदय, जो स्पीकर इस विषय पर बोलने के लिए बचे हैं उनको बोल लेने दीजिए और उसके बाद हाउस ऐडजर्नाल्ड कर दीजिए, हमारा यह निवेदन है। स्टेटमेंट लीडर ऑफ द हाउस की है अगर वह चाहें तो इससे पहले स्टेटमेंट दे दें।

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): There are two statements, not one.

श्री संघ प्रिय गौतम : क्लैरीफिकेशंस नहीं होंगे, स्टेटमेंट हो जाने दीजिए।

श्री नीलोत्पल बसु : सर, पांच बजे के बाद एक दिन आल्टरनेट करके दूसरे दिन स्टेटमेंट दे दें क्योंकि हमारे यहां पर जो परम्परा है, वह यह है कि हम इसके ऊपर क्लैरीफिकेशंस पूछते हैं। हम लोग पहले यह कर चुके हैं कि स्टेटमेंट होता है और स्टेटमेंट के बाद क्लैरीफिकेशंस टाल दिये जाते हैं और बाद में क्लैरीफिकेशंस नहीं हो पाते हैं।

SHRI PRANAB MUKHERJEE: The point is that apart from being a Minister, he is the Leader of the House and he enjoys the right to make a statement and we would like to listen to him. This has always been the practice and we have followed it. Moreover, this statement has been made in the Lok Sabha. It would look odd if it is not made in the Rajya Sabha. I would request the Leader of the House to make his statement and after that we would like to find time to seek clarifications because this is an important issue. It can be, of course, after the last speaker finishes his speech, because we have decided that the Finance Minister will reply tomorrow at 12 noon. Therefore, whoever is the last speaker in the list should finish his speech. After that the Leader of the House can make his statement and the clarifications can be sought later on.

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI PRAMOD MAHAJAN): I would like to make one more request. As the External Affairs Minister's statement has been made in the other House, similarly the Petroleum Minister's statement has also been made in the other House. Here I am not asking for clarifications. Some day we can sit in the Business Advisory Committee to decide on whatever statements are made, we can schedule the clarifications, but...

SHRI DIPANKAR MUKHERJEE: He can lay the statement on the Table of the House.

SHRI PRAMOD MAHAJAN: That can be done. Instead of getting it postponed, as the other House has already heard it, he can lay it on the Table of the House or he can make a statement. He can lay it or make a speech and then we can go home.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Mr. Cho S Ramaswamy. You have seven minutes to speak.

SHRI CHO S. RAMASWAMY (Nominated): Sir, I need not have seven minutes, because I did not give my name at all as a speaker on this issue. Anyway, it is very rarely that I get an opportunity, because I also come here rarely. So, I do not want to lose this opportunity.

One thing I have learnt today is what does the UTI mean? It means 'unlimited time for interruptions'.

So much has been said on this subject and the Finance Minister's scalp has been demanded very vociferously and sometimes also reasonably. But, I am surprised that we are really not bothered about the money that has been swindled. Who made the money? How is it going to be brought back? We are talking about compensation to the average investor, who has put his hard-earned money in the Unit Trust, particularly in the US-64, but what about the people who collaborated, the corporate bodies, the officials in the UTI and others. What is the amount of money that they made and how is it going to be taken back from them? I think that is also very important. Most of the time what happens is that we throw mud at them and we are satisfied. They don't mind it at all. They can take any amount of mud as long as they have the money with them. There have been some totally unscrupulous elements, who have squandered the public money to make a profit for themselves. There must be a mechanism by which they will be deprived of the benefits out of the illegal money they got. It has to

be forfeited and got back. There is no point in getting satisfied with pleasing the depositors by paying them back their money. The Government can go on subsidising the UTI every two or three years, when they commit a fraud or when there is a mismanagement, but these periodical dole-outs are not going to be the solutions. Moreover, are we really serious when we think that with the resignation of the Finance Minister everything will be all right with the UTI and all other financial institutions?

There is some malady at the very root. We have to get at it. It is not the Finance Minister, it may not be even the Chairman of the UTI. It is the psyche of the country. When it is public money, we just think that it is there for the people to grab. If I can grab, I grab it. If somebody else can grab it, he grabs it, because honesty which prevails between two citizens totally vanishes when it comes to the handling of public money. We have created a psyche in this country that public money is there for all to loot. That must change. How are we going to do it? That must come from the leadership. As Mr. Peter Alphonse has pointed out, there is no point in saying, "Do you believe this man?", when you have believed him. So much light has been thrown on this debate. The Finance Minister would do well to take this matter seriously, and also get at the root of the problem and also take this as a warning as to what may be happening in other financial institutions like the LIC, the GIC. Are we going to have another debate for two days? Are we going to have another heated exchange of words and be satisfied with it? Or, are we going to take as a warning the things that took place in the UTI and go into the working of other financial institutions as well? Because it is not one Chairman or one Board of Directors who are out to do this. The whole lot of them are doing it all the time. Sometimes, something comes to light. Most of the time, nothing comes to light. The general public is defrauded. This should stop. For that, the psyche must change. Thank you, Sir, for giving me time.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Now, the Minister of Defence will make a statement.

#### **STATEMENT BY MINISTERS**

##### **(I) C.B.I. raids on premises of retired Air Force officers**

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH): Mr. Vice-Chairman, Sir, in a joint operation conducted by the CBI, the IB and the Indian Air Force Intelligence, some retired Air Force Officers and a few civilians have, on 26<sup>th</sup> and 27<sup>th</sup> July, been arrested for activities detrimental to national interests and relating to defence deals.