

SHRI RAVI SHANKAR PRASAD: Sir, these kinds of problems are arising with alarming regularity. So, I would like to know from the hon. Minister whether he is contemplating some kind of a proper institutional mechanism so that this kind of problem does not arise the way in which they have been arising in view of our expanding economy and the nature of sufferings that we are having because of recession.

SHRI PRANAB MUKHERJEE: Of course, Sir. This is a continuous exercise. The hon. Member is knowledgeable. He knows the way the Stock Market has expanded over the last few years. To some extent — I may be a bit conservative — it was not expected and it was not a very healthy sign as there have been a lot of speculations and other things are also there. That is why I am saying that the hon. Finance Minister announced this as a policy statement in his Budget Speech of 2006-07. So, it was taken care of. As and when visible irregularities or discrepancies are noticed, then they are to be corrected and corrective measures have to be taken either through administrative or legislative mechanism.

SHRI SYED AZEEZ PASHA: Sir, I would like to know from the hon. Minister whether his Ministry is thinking on the lines of bringing an amendment either to the Depositories Act or inserting a provision in the Income Tax Act for forfeiture of *benami* assets. Is there any such proposal before the Government?

SHRI PRANAB MUKHERJEE: Sir, the current thinking in the Government is that we will bring the necessary amendments to the Depositories Act.

श्री महेन्द्र मोहन : सर, मैं आपके माध्यम से माननीय मंत्री जी से यह जानना चाहूँगा कि जो 8,804 करोड़ रुपए डिपॉजिटरी में पड़े हुए हैं, जिसे unclaimed amount के रूप में forfeit करने की बात चल रही है, इस रुपए का उपयोग किस प्रकार से किया जाएगा? हमारे देश में investors को अभी भी पूरी जानकारी नहीं है कि किस प्रकार से स्टॉक एक्सचेंज में पैसा लगाया जाए। मैं चाहता हूँ कि इसके बारे में उनको educate किया जाए। इसलिए मैं चाहूँगा कि investors को जानकारियाँ देने के लिए और उनको educate करने के लिए इस फंड का प्रयोग किया जाए, ताकि हमारे यहाँ का investor सही रूप से investment कर सके और सत्यम जैसी घटना दोबारा न हो, जिसके कारण सदन का पूरा समय एक प्रश्न के ऊपर ही चला गया।

SHRI PRANAB MUKHERJEE: Sir, it is one of the proposals. It is correct that the investors do not know and the scheme started with a name 'Know your Client' so that the information and knowledge could be expanded. One of the objectives is that a part of this amount would be utilised for sharing information and raising knowledge and information available to the prospective investors.

Functioning of SEBI

*65. SHRI SANJAY RAUT:

SHRI BHARATKUMAR RAUT:††

Will the Minister of FINANCE be pleased to state:

(a) whether the Satyam Scam is the result of inefficiency of our financial system,

††The question was actually asked on the floor of the House by Shri Bharatkumar Raut.

especially the Securities and Exchange Board of India (SEBI), which has failed in its duty to keep a proper vigil on its functioning;

(b) whether Government is contemplating to fix any responsibility on SEBI for its failure; and

(c) whether Government is seriously considering to take corrective steps for providing a foolproof system of timely verification of financial statements of the listed companies with SEBI, so as to avoid any further recurrence of such an event?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) to (c) A statement is placed on the Table of the House.

Statement

(a) and (b) Irregularities in the case of Satyam Computer Services Ltd. mainly relate to misstatements in its accounts and audited financial statements. Institute of Chartered Accountants of India is the regulatory body for the auditors. It also prescribes accounting and auditing standards. These areas are also governed by the Companies Act, 1956 which is administered by the Ministry of Corporate Affairs. SEBI examines and investigates the irregularities in financial results in case any manipulation is observed in the securities of a company. Immediately on receipt of information about financial irregularities in Satyam Computer Services Ltd. SEBI had ordered investigation into the dealings in the shares of Satyam Computer Services Ltd. and more particularly to ascertain whether the provisions of the SEBI Act, 1992 and Rules and Regulations made there under have been violated.

(c) Based on the recommendations of the Advisory Committee on Disclosures and Accounting Standards (SCODA) on January 9, 2009, SEBI had asked market participants to undertake peer review of the working papers (relating to financial statements of listed entities) of auditors in respect of the companies constituting the NSE — Nifty 50, the BSE Sensex and some listed companies outside the Sensex and Nifty chosen on a random basis. The peer review will be undertaken by a SEBI prepared panel of auditors.

SHRI BHARATKUMAR RAUT: Sir, a lot has been said about the Satyam episode. The more you hear and the more you read about this episode, it is saddening and depressing.

Anyway, I wish to draw the attention of the hon. Minister to a threat sounded by the National Security Advisor, Mr. M.K. Narayanan, about the national security from underworld money...

Flowing into the Indian Stock Exchanges. And, unknown investors could be routing their investments via Mauritius. This was highlighted by the Tarapore Committee, the Ashok Lahiri Committee and by some other agencies also. Considering this, is the Government aware of the probability of the use of preferential notes through Mauritius for investment into the Satyam Computers or the Maytas or for siphoning off funds from it?

SHRI PRANAB MUKHERJEE: Sir, the matter has been entrusted to the CBI for full investigations. Definitely, when they investigate, there may be more information. That's why we may have to wait for some more time to get the investigation report from the CBI.

SHRI BHARATKUMAR RAUT: Sir, my second supplementary is this. What has happened to Mr. Ram Mynampati, the interim CEO of the Satyam Computers, who has left for the USA? Is he coming back to India? Will he be interrogated? Who allowed him to leave the country when the controversy was on? Who will be accountable for his escape?

SHRI PRANAB MUKHERJEE: Sir, whatever is necessary for the investigations, it will be done. Just for this individual, it is not possible for me to give the information right now.

SHRI M. VENKAIAH NAIDU: Sir, I have gone through the reply given by the hon. Minister. It says, "Immediately on receipt of information about financial irregularities in the Satyam Computer Services Ltd., the SEBI had ordered investigations into the dealings in the shares of Satyam Computer Services Ltd. and more particularly to ascertain whether the provisions of the SEBI Act, 1992 and Rules and Regulations made there under have been violated." When was this inquiry ordered by the SEBI? What were the findings of the SEBI inquiry? Will the hon. Minister share all this information with this House? The information is that the auditors, who had been engaged by them, had been blacklisted earlier also in the Global Trust Bank's case. The same auditors were engaged by this company also. Still these people had closed their eyes. The deposits, on record, that were in the banks were more than Rs. 4,780 crores or so, but the actual deposits were only Rs. 74 crores or so. That being the case, what action had been taken by the SEBI? What was the outcome of the inquiry that they have conducted? When was the inquiry ordered? When was the inquiry completed?

SHRI PRANAB MUKHERJEE: Sir, the inquiry by the SEBI started from 7th January, and it is still underway. The hon. Member may be aware of the fact that there are two aspects of this issue. One aspect is the irregularities in the matters of stock, which will be within the purview of the SEBI. The second aspect is the criminality angle of it. And, from that angle, the CBI will have to investigate into the matter. And, I have already told that the CBI has been given charge of the case just a few days back. It will take some time to investigate. The inquiry by the SEBI is still continuing.

One point I would like to make quite clear. It was discussed on earlier occasions also and my colleague the Corporate Affairs Minister had replied to the queries. The Government's intention is not to bail out any individuals. The Government's interest is not to protect any wrong doers. Neither they have asked for it, nor are we coming out with any bailout proposal. The new Board of Directors also does not feel that it is necessary. They have adequate unencumbered assets that can make the company float, if it is run professionally and do not indulge into the type

of fraudulent activities that were indulged in by some people. I would not like to make any comment as the process of investigation is going on. But I can assure you this much that the Government is aware that it is an important company in this particular sector, it has a large number of international clientele, and it has a good name.

Therefore, if it can be run professionally, without indulging in any sort of undesirable activities, it can be established. Apart from that, about 50,000 professionals and highly skilled persons are employed in it. Their interests are also to be kept in view. These are the primary objectives of the Government. Whatever steps have been taken, the other day when the Corporate Affairs Minister replied to the supplementary, he spelt them out in detail.

SHRI PENUMALLI MADHU: Sir, through you, I would like to put this question to the hon. Minister. The hon. Minister has assured the House that the interest of 50,000 employees would be protected. I would like to know from the hon. Minister whether SEBI has been allowed to investigate the case. It has come to the notice of the people that the State Government is intervening *..(Interruptions)..*

DR. T. SUBBARAMI REDDY: Sir, what is this? *..(Interruptions)..*

SHRI V. HANUMANTHA RAO: Sir, *..(Interruptions)..*

SHRI PENUMALLI MADHU: Sir, I would like to know whether the State Government is allowing the SEBI to investigate the case or not. *..(Interruptions)..* Sir, the State Government is not allowing the SEBI to speak to the *..(Interruptions)..*

MR. CHAIRMAN: Please finish your question. *..(Interruptions)..* Please put the question. *..(Interruptions)..*

SHRI PENUMALLI MADHU: Sir, I would like to know from the Minister whether the State Government is allowing the SEBI to speak to the fraudulent company's owner. *..(Interruptions)..*

MR. CHAIRMAN: Please resume your places. *..(Interruptions)..* Let the question be answered. *..(Interruptions)..* Your colleague has put the question; let it be answered. *..(Interruptions)..* You have put your question, now resume your place. *..(Interruptions)..*

SHRI M. VENKAIAH NAIDU: Sir, I don't want to put any question, but I would like to know this from the hon. Minister. Is it a fair parliamentary practice not to allow the Member to put the question? *..(Interruptions)..*

MR. CHAIRMAN: You have finished putting your question. *..(Interruptions)..* I would request the hon. Minister to respond. *..(Interruptions)..*

SHRI PRANAB MUKHERJEE: Sir, I can assure the hon. Member that there is no question of interfering or not allowing any statutory authority to carry on its lawful duty. *..(Interruptions)..* Please let me complete. I am on my legs. I want to submit that they wanted to immediately have access to the persons who were detained and certain clearances from the local administration

were needed. It was a public holiday; Muharram. Even then, the Magistrates and all others acted promptly. Those clearances were given. The Chief Minister of the State came to see me sometime in the first week of February. He completely assured me that all cooperation would be given to any investigating agency, whoever wants to investigate it. I requested him to identify one officer. The Chief Secretary of the State has been identified as the nodal officer. And, it is on the recommendation of the Chief Minister of the State, through a written communication, that the Government has decided to refer the matter to the CBI. *..(Interruptions)..*

SHRIMATI BRINDA KARAT: Sir, I just want to put one question. *..(Interruptions)..* Has the SEBI got access to the accused or not? They have not been able to question the accused. *..(Interruptions)..* Sir, what is the precedent being established? *..(Interruptions)..*

MR. CHAIRMAN: It is not your turn, Smt. Brinda Karat. *...(Interruptions)...* Shri Praveen Rashtrapal.

SHRI PRAVEEN RASHTRAPAL: Sir, I will not put any direct question about the Satyam Scam because the matter is *sub judice*. *...(Interruptions)...* And, we cannot blame the State Government for that. *...(Interruptions)...*

MR. CHAIRMAN: Please put the question. *..(Interruptions)..*

SHRI PRAVEEN RASHTRAPAL: Sir, I am putting the question. *..(Interruptions)..* I believe in law of the land. *..(Interruptions)..* The matter is *sub judice*. *..(Interruptions)..*

But, Sir, through you, I take this opportunity, because, luckily, today, we are going to have answer from one of the most senior Cabinet Ministers and the most experienced person in the Cabinet, hon. Shri Pranab Mukherjee, to put my question. Sir, the side issue of such scam is the role played by the Chartered Accountants in the financial system of this country. Being an employee in the Income Tax Department for 37 years, I had a case, to my knowledge, from Gujarat, where a leading Chartered Accountant had filed bogus TDS certificate alongwith the Income-Tax Return and taken refund.

MR. CHAIRMAN: Put your question.

SHRI PRAVEEN RASHTRAPAL: But that case was not decided even after 15 years. The Ministry of Finance was not able to take any action against the Chartered Accountant profession, in particular, in the name of autonomy given to the Indian Institute of Chartered Accountants. I would like to know from the hon. Minister whether we are going to have some change in the rules and regulations with regard to the autonomy given to the Chartered Accountant Institutes. An ordinary advocate is authorised by the court to practice. If he misbehaves, then, the court has the right to disqualify him. But when it comes to Chartered Accountants, no Government is able to take any action. This is a serious issue. I want the hon. Minister to guide us in the matter.

SHRI PRANAB MUKHERJEE: Sir, in the process of investigation, if it is found that somebody, he may be a professional, he may not be a professional, is involved and has indulged

in some criminal unlawful activities, definitely, he will be taken to task. But that does not mean that an important organisation like the Institute of Chartered Accountants should be blamed as an institution. Some individual members may be recalcitrant but a highly professional body should not be painted blackly.

बैंकों की अनर्जक परिसंपत्तियां

*66. श्री शिवानन्द तिवारी:††

श्री राम जेठमलानी:

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि देश के अनेक बैंकों में वर्ष 2008-09 की दिसम्बर, 2008 को समाप्त हुई तिमाही में अनर्जक परिसंपत्तियों में वृद्धि हुई है;

(ख) यदि हां, तो उक्त अवधि के दौरान किस-किस बैंक में अनर्जक परिसंपत्तियों से तुलनात्मक रूप से वृद्धि हुई है; और

(ग) यह वृद्धि किन-किन उद्योगों में पाई गई है और उद्योग-वार इसमें कितने प्रतिशत की वृद्धि हुई है?

वित्त मंत्रालय में राज्य मंत्री (श्री पवन कुमार बंसल): (क) और (ख) एक विवरण सभा पटल पर रख दिया गया है।

विवरण

(क) और (ख) 31 मार्च, 2008 की स्थिति की तुलना में 31 दिसम्बर, 2008 की स्थिति के अनुसार, 76 अनुसूचित वाणिज्यिक बैंकों (एससीबी) में से 38 बैंकों ने वृद्धि सूचित की है, 18 बैंकों ने लगभग कोई परिवर्तन नहीं होने की सूचना दी है तथा 20 बैंकों ने अपनी सकल अनर्जक परिसंपत्तियों (एनपीए) में कमी सूचित की है। अनुसूचित वाणिज्यिक बैंकों की सकल अनर्जक परिसंपत्तियों में वृद्धि के बैंक-वार ब्यौरे विवरण में पर दिए गए हैं, (नीचे देखिए)। तथापि, सम्पूर्ण बैंकिंग क्षेत्र की सकल अनर्जक परिसंपत्तियों के प्रतिशत में 31 मार्च, 2008 में 2.39% से 31 दिसम्बर, 2008 में 2.34% के रूप में कमी आई है।

(ग) भारतीय रिजर्व बैंक की विद्यमान प्रबंधन सूचना प्रणाली अनर्जक परिसंपत्तियों की उद्योग-वार सूचना प्रस्तुत नहीं करती है। तथापि, 31 मार्च, 2008 तथा 31 दिसम्बर, 2008 की स्थिति के अनुसार, प्राथमिकता और गैर-प्राथमिकता क्षेत्रों में अनुसूचित वाणिज्यिक बैंकों की सकल अनर्जक परिसंपत्तियां नीचे तालिका में दी गई हैं:-

(राशि करोड़ रूपए में)

क्रम सं.	क्षेत्र	मार्च, 2008	दिसम्बर, 2008
1.	कृषि	9,735	6,887
2.	लघु उद्योग	6,521	7,089
3.	अन्य	12,851	14,699
4.	कुल प्राथमिकता क्षेत्र (1+2+3)	29,107	28,675
5.	सरकारी क्षेत्र	299	249
6.	गैर-प्राथमिकता क्षेत्र	26,436	32,727
7.	सकल योग (4+5+6)	55,842	61,651
		(2.39%)	(2.34%)

(कोष्ठक में दिए गए आंकड़े अग्रिमों की तुलना में सकल एनपीए का प्रतिशत हैं)

††सभा में यह प्रश्न श्री शिवानन्द तिवारी द्वारा पूछा गया।