

12.00 hrs.

RE. SHARES SCANDAL

[Translation]

SHRIGEORGE FERNANDES (Muzafarpur): Mr. Speaker, Sir, my submission is that the Hon. Prime Minister should give an assurance to the House that the exercise of disinvestment by the Public Sector Undertakings will be stopped till the investigation in the securities scam is not completed.

You ask the Hon. Prime Minister to give this assurance. It is related to this question. Please try to understand me. The Committee of Members from Planning Commission was constituted to investigate into the matter. One of them is still in police custody and these people had tried to make money by selling the shares in league with the brokers. The same Committee has again tried to make money. The same Committee has again tried to make money. The hon. Minister made a statement without the knowledge of these things. Now once again a decision has been taken to sell the shares in the same manner. Therefore, I request that until the enquiry is not complete these shares should not be sold. The Hon. Prime Minister should give this assurance in this House....(Interruptions)

Please do not relate J.P.C. with this matter. I want only this assurance from the Hon. Prime Minister that shares shall not be sold until the enquiry is completed... (Interruptions)

[English]

MR. SPEAKER: No cross-talking please.

[Translation]

SHRI ATAL BIHARI VAJPAYEE

(Lucknow): Mr. Speaker, Sir, my friend, Shri George Fernandes has raised a very serious matter. Public Sector companies are selling their shares. Earlier also they were sold. I had complained that they could be sold on a higher rate. The hon. Minister also conceded that more care should have been taken in the matter. At that time shares were sold to mutual funds of Banks and the Government said that any particular party or an individual was not being benefited. Public Sector Industries are national property. If something is done which is detrimental to this property, the need of the hour is that it should be discussed and I fully agree with it. But is it not the responsibility of the Government to take care while selling the shares? Is the Government not responsible for ensuring the highest price for these shares? I think we can't just blame the Finance Ministry or the Economic Affairs Ministry alone and sit back. The Government officials are no doubt every competent but they are not experts in the share market activities. Experts should be consulted before taking any decision in this regard. I feel that before selling the shares, Government should think twice and there should be no malpractice in it. Shri Fernandes is seeking this assurance from the Hon. Prime Minister and he should have not hesitation in giving it.

THE PRIME MINISTER (SHRI P.V. NARASIMHA RAO): I have no hesitation. I will talk to you and him and find out who are those experts.

[English]

SHRI SOMNATH CHATTERJEE (Bolpur): Mr. Speaker, Sir, it is comforting to know that the Prime Minister has no difficulty in talking to us. But the thing has already been sold. Huge amounts of public assets have already gone out of hand. All that laborious exercise was made by the Minister of State to show that they have sold it at the face value after some calculations here and

there. Sir, solemnly an answer is being given that there is no market value. I submit that the value of the shares which have no market value can easily be ascertained by ascertaining the total value of the assets of the concern.

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF HEAVY INDUSTRY AND PUBLIC ENTERPRISES) (SHRI P.K. THUNGON): We have applied that principle.

SHRI SOMNATH CHATTERJEE: If you have applied, why do you not tell us? (*Interruption*) It is very essential to know as to what has been the total value of the assets of SAIL. We understand that it was also done in the case of ONGC, where also the shares have been sold. They are not producing the facts. The assets divided by the total number of shares which have been issued will be the value of the share and it can be ascertained in this way. And there are concerns which are not listed in the stock exchange. The valuation is determined by this process. It is a well-known process.

Therefore, I would like to know whether the Government have applied their mind in ascertaining the value of the assets of these big companies. The share holding is not much as in ONGC. But it acquire assets of thousands and thousands of crores of rupees worth, like Indian Oil Corporation and other big public sector undertakings. What is the good of saying that there is no market price and therefore, you have done some additions here and there? This is an important matter and it cannot just be ignored in this manner by saying that you shall look in the future as to what has happened.

The Janakiraman Committee has very severely criticised that the whole guidelines were completely ignored. The Minister's reply is that guidelines have been followed.

We would like to know how they are functioning.

Sir, very very important assets of the nation have been frittered away. From mutual funds it has gone to some big business houses through brokers, who should have no role to play in these cases. It has gone to individual private brokers and from the brokers it has gone to other industrialists, foreign banks etc. How has this happened? We do not find any such concern expressed on the floor of the House. The Prime Minister is here. Merely saying that the J.P.C. has come will not do. J.P.C. cannot go into all these matters.

Therefore, we would like the Government to respond and to respond much more positively on this so that the persons responsible can be found out and can be punished. We should know the real facts. Thank you.

SHRI SOBHANADREESWARA RAO VADDE (Vijayawada): Sir, it is very reliably learnt that the shares have been sold at much lesser price than what they should have got in the market. Our information is that the assets were not properly valued. In many of these public sector undertakings the assets were created very long back. For example take the case of land. Land must have been purchased at far lesser price. But today the land value will be much more, and it must be more by many more times than the value at which it was purchased. By undervaluing the assets of the concern, they have done it.

MR. SPEAKER: Shri Rao, please hear me. This is a big issue. As far as what has happened is concerned, the J.P.C. is likely to look into it.

(*Interruptions*)

MR. SPEAKER: Please wait for some time, As far as what is to be done in the future

is concerned, you are asking what is to be done. As it is a big issue, we do not expect the Government to respond to it on the spur of the moment on the floor. The hon. Prime Minister said, 'I will consult the Members and we will take a proper decision.' You bear this in mind while making the statement.

SHRI SOBHANADREESWARA RAO VADDE: Yes, Sir. Because he is here, I want to submit this.

In that way, by not evaluating properly the shares of these companies which were intended to be disinvested, the benefit has gone to some big industrialists or some business magnates other than the ordinary citizens or even the workers who are working in those concerns. So, my humble submission is that the Government should take all precautions to assess properly in fixing the value of these shares and the priority should be given to the common people, the workers who have been toiling in these companies all these years, and only when no ordinary people come forwards, then the shares may be offered to big people. That is my suggestion, Sir, and I request the hon. Prime Minister to take all steps to protect the interests of the Government and the public sector units and the citizens of this country. Thank you.

SHRI VISHWANATH PRATAP SINGH (Fatehpur): The RBI guideline in this regard is that the public should not sell their shares unless they are listed on the stock market. It was a very sensible guideline that only when they are listed, then the price is ascertained or a rough idea is formed of what the price is when the listing is done in the stock market. How is it that without the shares being listed they have been sold? And now to say that we have made some negotiation and the price is all right is not relevant. The point is, the RBI has made this after much thought, the Government also has endorsed that guideline in the sense that it did not object to it. How is it that without listing them in the

stock market they were sold? Private negotiation is not there in the RBI guideline. It should be through regular stock market. That is the guideline for this. So, how is it that private negotiations are going on? All these are very pertinent and I think the Government should come forward to tell how it is proceeding about. (*Interruptions*)

MR. SPEAKER: This is Zero Hour activity. Zero Hour activity has no check.

SHRI P.V. NARSIMHA RAO: What is this going on?

MR. SPEAKER: This is exactly what happens in the Zero Hour. They can raise the issues which are important and they do not expect the Government....

SHRI P.V. NARSIMHA RAO: Let them raise. We will take very careful note of what they are raising.

SHRI BASUDEB ACHARIA (Bankura): Sir, the man who was given the responsibility for disinvestment from public sector was Mr. Krishnamurthy. He is responsible for all this scandal and scam. (*Interruptions*). He is one of them. But he is the main person. There may be many; there are others but he was given the responsibility. A Committee was constituted under this chairmanship to disinvest...

MR. SPEAKER: Don't you think that this can be looked into by the Committee which is constituted?

SHRI BASUDEB ACHARIA: Sir, I am coming to the main point. But Mr. Krishnamurthy is not one. Today in *The Times of India*....

SHRI MANORANJAN BHAKTA (Andaman & Nicobar Islands): It is not necessary, Sir, to mention all these things here.

MR. SPEAKER: You know, this is an important issue, it has been raised and I am allowing. I will allow you also.

(Interruptions)

SHRI BASUDEB ACHARIA: Other names have also appeared.. *(Interruptions)**

MR. SPEAKER: No, no. Please don't mention names. This is what happens.

SHRI BASUDEB ACHARIA: This has appeared in *The Times of India*.

MR. SPEAKER: It may appear in anything. You don't have to say it on the floor of the House. It is not going on record.

*(Interruptions)**

MR. SPEAKER: Mr. Bsudeb Acharia, please take your seat. I have explained to Mr. Rao that if you want to refer to anything which has happened up to this time, the Committee is likely to look into it. When you refer a matter to the Committee, you don't raise it on the floor of the House. If you have any suggestion for the future, you are welcome to make the suggestion.

You leave aside the past, you concentrate on the future.

SHRI BASUDEB ACHARIA: But, Sir,...

MR. SPEAKER: But and if are not there.

SHRI. BASUDEB ACHARIA: But no action has been taken against this persons.

MR. SPEAKER: Mr. Acharia, you do not have to say all these things. I have already said that as per the procedure, if it is referred

to the JPC, you need not raise it here on the floor of the House.

SHRI BASUDEB ACHARIA: Sir, one is a member of the AICC and a very close friend of a Cabinet Minister.....*

MR. SPEAKER: This is not going on record.

(Interruptions)

MR. SPEAKER: Mr. Basudeb Acharia, please understand what I am saying. You are a pretty senior Member, you follow the procedure.

SHRI MANORANJAN BHAKTA (Andaman and Nicobar Islands): Mr. Speaker, Sir as so on as the hon. Prime Minister has assured on the basis of the points raised by the hon. Members on this issue, I think the concerned Ministries and the officers have already noted it and the Government will take all kind of care to see that adequate care will be taken in future transactions. As such, I do not think this is such a big issue and when this issue is going to be discussed in the JPC, there is no need of discussing this issue any further here.

SHRI SRIBALLAV PANIGRAHI (Deogarh): Mr. Speaker, Sir, under the Private Members Resolution, this issue has been allotted four hours.

MR. SPEAKER: Now that issue is over. We have gone to a different issue. Please take you seat now.

SHRI ANNA JOSHI (Pune): Mr. Speaker, Sir, I would like to raise the following matter of public importance. Many freedom fighters of Goa, Dadra and Nagar Haveli are still awaiting for their recognition as free-