

आप वापिस मिल जाए।

कहते हैं कि इसमें अनुबंध पत्र होता है। अनुबंध पत्रों में प्रायः यही होता है कि कापी राइट का पूरा अधिकार प्रकाशक को मिल गया। इसका नाजायज फायदा प्रकाशक उठाते हैं। मेरा कहना है कि उस अनुबंध पत्र द्वारा लेखक को यह अधिकार दिया जाए कि कुछ दिनों के पश्चात् कापीराइट का अधिकार उसको वापिस मिल जाएगा। लेकिन होता इसका बिल्कुल उल्टा है। धारा 31(1) के अनुसार यदि लेखक न भी चाहे तब भी प्रकाशक द्वितीय संस्करण छापने की अनुमति अदालत से प्राप्त कर सकता है। अजीब बात है। प्रकाशकों के हितों का रक्षा तो कर दी गई लेकिन लेखकों के हितों की रक्षा का ध्यान नहीं रखा गया। लेखकों को प्रकाशकों के आगे खुला छोड़ दिया गया है। इसलिए मेरा सुझाव है कि इसमें आप इस तरह का प्रावधान करें कि प्रकाशक यदि द्वितीय संस्करण छापने में विलम्ब करे तो लेखक को अधिकार हो कि वह अपना द्वितीय संस्करण कहीं और प्रकाशित करवा ले। इसमें एक खामी और है। वह यह कि लेखक को कैसे पता चलेगा कि प्रथम संस्करण समाप्त हो गया है। एकाउन्ट तो ठीक ढंग से रखा ही नहीं जाता। लेखक को पता ही नहीं चलता है कि प्रथम संस्करण समाप्त हो गया। 31(1) के अनुसार तो प्रकाशकों को द्वितीय संस्करण छापने का अधिकार अदालत से मिल जाता है। इसमें इस तरह का संशोधन करें जिससे ऐसी व्यवस्था हो कि 5 साल में बाद लेखक को कापी राइट अधिकार फिर वापिस मिल जाए। आपसे आग्रह करता हूँ कि आप कोई ऐसी व्यवस्था करें और कोई कंप्रेहेंसिव

विधेयक लाएं जिसमें लेखक को 5 साल के बाद पुनः प्रकाशन का सारा अधिकार मिल जाए।

इन शब्दों के साथ मैं इस बिल का समर्थन करता हूँ।

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17.00 hrs.

DISCUSSION RE : REPORTED INVESTMENT IN INDIAN INDUSTRIES AND TAKE-OVER BIDS OF INDIAN COMPANIES BY CERTAIN NON-RESIDENT INDIANS

MR CHAIRMAN : We now take up Discusion under Rule 193. Mr. Ram Vilas Paswan.

श्री राम विलास पासवान (हाजीपुर) : आज हम लोग अत्यन्त महत्वपूर्ण विषय पर चर्चा करने जा रहे हैं। यह बहुत ही विवादस्पद विषय है और राष्ट्र के लिए बहुत महत्व रखता है। नान-रैजिडेंशल स्कीम की डिटेल्ज में जाकर मैं सदन का समय बरबाद करना नहीं चाहता—चूँकि सदन को मालूम ही है और इस पर देश में काफी चर्चा और विवाद चल रहा है कि स्कीम क्या है, सरकार ने क्या घोषणायें की हैं, बजट में इसके बारे में क्या प्रावधान किया था। मेरे जैसा आदमी चाहेगा कि देश में विदेशी मुद्रा आए, अधिक से अधिक पैसा विदेश का देश में आए। हमारे जो लोग विदेश में हैं हम चाहते हैं कि वे अधिक से अधिक पैसा यहां भेजें। विदेशों में जो लोग रहते हैं उनकी दो तीन गेरीज हैं। एक तो वे लोग हैं कि जो स्किल्ड की श्रेणी में आते हैं, राज मिस्री हैं या दूसरे हैं। दूसरे वे हैं जो डाक्टर हैं, इंजीनियर हैं। तीसरे वे लोग हैं जो व्यापारी हैं, जिनका मुख्य पेशा व्यवसाय है, जिनको

[श्री राम विलाम पासवान]

किसी दूसरी चीज से मतलब नहीं है सिवाय व्यवसाय के। मौजूदा विवाद ने दो तीन महत्वपूर्ण मुद्दे खड़े किए हैं। एक तो यह है कि किस से विदेशों से पैसा आ रहा है? दूसरे नामों के बारे में है खास कर स्वराज पाल का उस में नाम काफी चर्चित है। क्या यह सही है कि भारतीय कम्पनियों पर हावी होना चाहते हैं। तीसरा महत्वपूर्ण मुद्दा है कि हमारे जो उद्योग हैं, जो हमारे यहां के पूंजी-पति हैं, जो बड़े बड़े बिग बिजिनेस हाउसिस हैं उनके ऊपर करारा प्रहार हो रहा है, उनका पर्दाफाश हो रहा है। जिन कम्पनियों को लेकर विवाद चल रहे हैं उसमें दो कम्पनियों के नाम काफी चर्चित हैं। एक है स्वराज पाल की तरफ से आने वाली पूंजी जो कैपरो के नाम से है और दूसरे रिलायंस टैक्सटाइल्स की है उस में आई हुई पूंजी की चर्चा। मैं सर्व प्रथम सदन का ध्यान रिलायंस कम्पनी की तरफ दिलाना चाहता हूं। यह जबाब संसद में किया गया था :

Details of purchases exceeding Rs. 25 lakhs effected by non-resident investors under the Portfolio Investment Scheme during the period April 1982 to 2nd May, 1983.

इसमें आप देखेंगे कि रिलायंस टैक्सटाइल इंडस्ट्रीज में विक्टर इनवैस्टमेंट लिमिटेड यू० के० ने 2 करोड़ 8 लाख, गेनफोर्ड इनवैस्टमेंट्स लिमिटेड यू० के० ने 2 करोड़ 8 लाख थोनेटन इनवैस्टमेंट लिमिटेड यू० के० ने 2 करोड़ 8 लाख, रोमन इनवैस्टमेंट्स लिमिटेड यू० के० ने 2 करोड़ 21 लाख, वमफोर्ड इनवैस्टमेंट्स लिमिटेड ने 2 करोड़ 34 लाख, कार्बन इनवैस्टमेंट्स लिमिटेड यू० के० ने 2 करोड़ 8 लाख, राक्साइड इनवैस्टमेंट्स लि० यू० के० 2 करोड़ 27 हजार 50 हजार इन-

वैस्ट किया। ये सब रुपये में है। एक है आयोटा इन्वैस्टमेंट लिमिटेड, यू० के०। एक है क्रोकोडाइल इनवैस्टमेंट लिमिटेड, यू० के० इनका है 2 करोड़ 34 लाख, फियैस्को इनवैस्टमेंट, फियैस्को का मतलब होता है घपला, यह भी यू० के० की है इनका 2 करोड़ 34 लाख एक है ट्राइकाट इन्वैस्टमेंट लिमिटेड, यू० के० 42 लाख रु०। तो यह मेरी कम्पनियां हैं जिनकी इसमें पूंजी लगी हुई है। समझ में यह नहीं आता, मंत्री जी बतायेंगे कि इस कम्पनी की पूंजी कितनी है? यह कम्पनियां कौन हैं, इनके मालिक कौन हैं? क्या यह सही है कि इस कम्पनी के पास में 100, 100 पौंड से अधिक की अपनी कोई पूंजी है? क्या यह भी सही है कि आम चर्चा यह है कि जो ब्लैक मनी देश में है, वह देश से विदेश में जाता है और वहां से इन कम्पनियों के माध्यम से ह्वाइट हो कर आ रहा है? क्या यह भी सही है कि जितनी भी यह कम्पनियां हैं यह सब की सब वोगस हैं? क्या यह बात सही है कि इन कम्पनियों को ब्लैक लिस्टेड भी किया गया था? इनके मालिक कौन हैं? मैं नाम नहीं लेना चाहता, लेकिन सदन में सबको मालूम है। तो यह है रिलायंस कम्पनी का इतिहास।

दूसरी कम्पनियां हैं जो स्वराज पाल की हैं जो भारत में आकर के नैतिकता का बहुत उपदेश दे रहे हैं, जिनका दिल राष्ट्रभक्ति से ओतप्रोत हो रहा है। जो स्वयं 1965-66 में विदेश गये थे और 1970-71 में वहां की नागरिकता ली। सरकार के साथ उनकी क्या सांठगांठ है मुझे नहीं मालूम लेकिन सरकार ने उनकी पद्मभूषण की उपाधि भी दी है। उससे भी बड़ी कोई उपाधि हो, जैसे भारत रत्न की, वह भी यदि सरकार के बस में होता तो उनको मिल जाती। इन

कम्पनियों का जरा व्यौरा देखिए। मेरे पास उनकी लिस्ट है। कैमरो टी कम्पनी लिमिटेड इनमें इनकी पूंजी है 2 पौंड की। कैमरो प्रोपर्टीज लिमिटेड-100 पौंड, कैमरो इन्वैस्टमेंट्स लिमिटेड-10,100 पौंड, ऐटलांटिक मर्चेंट लिमिटेड-25,000 पौंड, श्रीमीर शिपिंग लिमिटेड-1 लाख पौंड। मैं समझता हूं कि 15 लाख रु० में कोई भी जहाज नहीं बना सकता जिसकी कीमत 6, 7 करोड़ होती है। इसी तरह से और भी हैं जो मैं नहीं बताना चाहता, क्योंकि समय ज्यादा लगेगा तो यह कम्पनियां हैं कैमरो की। सदन को मालूम है कि यह जालंधर के रहने वाले थे, इनकी छोटी सी लीहे की दुकान थी, और इनकी एक पारिवारिक कंपनी है जिसका नाम अपीजे है।

अभी चन्द प्यारे लाल ग्रुप के सम्बन्ध में मैंने लोक-सभा से जो तथ्य इकट्ठा किये हैं, उसके मुताबिक ये नम्बर आफ टाइम्स ब्लैकलिस्टेड हुए हैं।

अमीचन्द प्यारे लाल दो बार ब्लैकलिस्टेड हुए 1954 से 1957 में और 1963 से 1965 में। सुरेन्द्र ओवरसीज, लिमिटेड, इंटरनेशनल सेनिटरी इंजीनियर्स, इंडिया इंजीनियर वर्क्स, मोटल इम्पोर्ट (प्रा०) लि०, ए० पी० जे० प्राइवेट लिमिटेड, अमीचन्द प्यारेलाल टीन कन्टेनर यूनिट ये सब के सब ब्लैकलिस्टेड हैं।

मैं यह बतलाना चाहता हूं कि इन कम्पनीज के सम्बन्ध में पार्लियामेंट में लोक-सभा में जो क्वेश्चन हुए थे उनके जवाब में क्या कहा गया था—

लोक-सभा के एक प्रश्न के लिखित उत्तर

में 23 फरवरी, 1968 को बतलाया गया था—

Aminchand Pyarelal and Co : CBI case against M/s. Aminchand Pyarelal.

Recommendation and action : The charge sheet has been filed in the court of the Chief Presidency Magistrate, Calcutta on 16th December 1967 under section 120 B/420, 420 IPC and section 23 read with Section 4 of the Foreign accused Exchange Regulation Act. The accused have been prosecuted for having cheated the Calcutta Port Commissioner for obtaining Customs Clearance Permit from the Iron and Steel Controller on duplicate documents and for using freight charges in contravention of the Foreign Exchange Regulation Act.

Apeejay Shipping Lines : Circular to the Shipping Commanders disclosed an attempt to cheat. Immediate action taken to foil any such attempt.

Aminchand Pyarelal 8.3.1968 : All the accused have been prosecuted under Section 120B read with section 420 IPC, and section 23 read with section 4 of the Foreign Exchange Regulation Act.

Apeejay Shipping Company : written answer given in Lok Sabha on May 9, 1968 : in 1962, attempt to cheat—admitted by government. Attempt to cheat government by misuse of empty gunny bags with a view to obviate claim of the Government for shortage. Recommendation and action : No action was taken at that time as action to foil any such attempt had been taken and it may have lead to trouble for the informant.

Then, I come to—

Apeejay Shipping Company, May 9, 1968 : Attempt to cheat gove-

[श्री राम विलास पासवान]

ment by transporting in empty gunny bags. Recommendation and action : The then Minister for Food replied in the affirmative that it was an attempt to defraud.

Apeejay Shipping Lines : May 9, 1968 : Reasons for not taking any action against the company for an attempt to cheat the government.

Apeejay Shipping Lines : May 9, 1968 : Any report on this case of attempt to cheat Government.

The matter was brought before the Vigilance Officer. (Apeejay Shipping Company)

Aminchand Pyarelal, Calcutta, *Swraj Paul*... 29th July, 1968. Contravention of foreign exchange regulations. The Enforcement Directorate has received a photostat copy of a letter relating to "One TT Receipt in duplicate dated 23rd August 1959 for £ 461-12-7 favouring Mr. Suresh Kumar addressed to Mr. Swraj Paul of M/s. Aminchand Pyarelal, Calcutta by National & Grindlays Bank, New Delhi. Enquiries are being made by the Enforcement Directorate to ascertain whether any contravention of foreign exchange regulations is involved in the transaction.

इस सदन में जुलाई, 1968 को सवाल किया गया :

Whether an official has been appointed by Government to deal with matters left unfinished by the Sarkar Committee for want of the authentic information in steel transactions of some of the Aminchand Pyarelal Group of Companies.

इसी सदन में 9 अगस्त, 1968 को अमीचन्द प्यारे लाल के खिलाफ क्रिमिनल केसिज के बारे में सरकार ने कहा :

A charge-sheet was filed against the accused and the case is now sub judice and the result of the trial may be awaited.

लोकसभा में 12 अगस्त, 1968 को अमीचन्द प्यारे लाल के बारे में सरकार की ओर से कहा गया :

Penalty of Rs. 1,22,111 imposed on the company for the assessment year 1959-60.

27 अगस्त 1968 को लोक सभा में अमीचन्द प्यारे लाल के बारे में चर्चा हुई ।

Mr. Jit Paul boldly declared manytimes that "since his co. and himself has stood 90 per cent of expenses of Durgapur Congress last year, there is no power on earth which can possibly ..." Also that "all the opposition combined together will not be able to beat him because certain ministers are in his left and right pockets and he has paid a huge amount to Congress coffers "

सरकार ने इस बारे में यह एक्शन लिया :

"Subsequent to 1961 is in possession of a CBI investigation report about the shady deal of this company, which mentions two important dignitaries being recipients of financial favours from this company one belonging to the cabinet level and the other, very important..."

5 मार्च 1969 को अमीचन्द प्यारे लाल ग्रुप आफ कंपनीज के खिलाफ स्टील ट्रांजेक्शन में इर्रगुलेरिटीज के बारे में सरकार की ओर से कहा गया :

Investigation work is still continuing. Out of 485 completely

examined cases, in 59 cases irregularities have been noticed.

लोक सभा में 11 अगस्त 1969 को स्टेट मिनिस्टर आफ फिनांस, श्री पी० सी० सेठी, ने कहा :—

The CBI have conducted investigations in two cases of 1966 in regard to alleged violations of the provisions of the foreign exchange regulation Act 1947 by the company.

इसी सदन में 5 जुलाई, 1977 को अमीचन्द प्यारे लाल ग्रुप आफ फर्म्स को ब्लैक-लिस्ट करने के बारे में सरकार की तरफ से रिटर्न जवाब दिया गया :—

Orders banning business dealings with this group of firms had been issued mutually on 7 May, 1966.

11 अगस्त, 1978 को अमीचन्द प्यारे-लाल ग्रुप कम्पनीज की तरफ इनकम टैक्स एरियर्स के बारे में सरकार की तरफ से कहा गया :

Income tax outstanding against the companies of this group as on 31.3.78 was Rs. 84.15 and Rs. 6.52 lakhs respectively.

There was another written answer in Lok Sabha on August 11, 1978 regarding shady manipulations of money and various economic offences.

Again, there was a written answer in Lok Sabha about Surendra Overseas Ltd. regarding excess payment for purchase of ships from West Germany by the company.

On 25-28 March, 1980 there was again a written answer about progress made in investigating/adjudicating the various

cases against M/s Aminchand Pyarelal by the Enforcement Directorate under Customs Act and Income Tax.

There was a written answer in Rajya Sabha on 12 August, 1980 about Aminchand Pyarelal and Shri Jit Paul about the specific efforts made to vacate the injunction obtained by M/s Aminchand Pyarelal and Shri Jit Paul by the Enforcement Directorate and Government of India.

इस तरीके से मेरे पास बहुत सा मेटर है लेकिन मैं उस में जा कर सदन का ज्यादा समय नहीं लेना चाहूंगा। मैं सिर्फ इतना कहना चाहूंगा कि जो स्वराज्य पाल ने शेयर खरीदा है उस के लिए क्या उस ने रिजर्व बैंक से परमीशन लिया था। रिजर्व बैंक ने उस को परमीशन नहीं दी थी। उस के बावजूद भी उस ने डी० सी० एम० में और एस्कोर्ट्स में 13 करोड़ रुपए का शेयर खरीदा है। वैसे उस ने जो शेयर खरीदा है वह 13 कम्पनियों के नाते से खरीदा है और अलग-अलग खरीदा है। आप रिजर्व बैंक आफ इंडिया के रेगुलेशंस को देखें तो उस को एक यूनिट माना जाना चाहिए लेकिन 13 यूनिट मान कर 13 करोड़ रुपया इन्वेस्ट हुआ यह भी सही है कि मैं ने आप को इसी सदन में पढ़ कर सुनाया था कपारू का कि उस कि 2 पौंड की टी कम्पनी है लेकिन रुपया इन्वेस्ट हो रहा है। करोड़। यह कहां से पैसा आता है? क्या यह स्वराज्य पाल का पैसा है? यह उस का पैसा नहीं है। दो तरीके से पैसा आ सकता है। या तो ब्लैक मनी को व्हाइट करने की कोशिश हो और ब्लैक मनी कहां से जा रही है, क्या उस में सरकार का हाथ है, मैं उसमें नहीं जाना चाहता हूं। लेकिन दो चीजें हो सकती हैं— या तो ब्लैक मनी हो या किसी

[श्री राम विलास पासवान]

से कर्जा लिया हो। यदि कर्जा लिया होगा तो व्याज के रूप में 13-14 परसेंट व्याज देना पड़ेगा और यहां जो लगाया है उस में उस को 2 परसेंट मिलेगा। तो 13-14 परसेंट व्याज पर पैसा ले कर 2 परसेंट पर इन्वेस्टमेंट कोई भी बड़ा बिजनेसमैन जो अपनी पूंजी लगा कर बैठा हुआ है, नहीं कर सकता। इसलिए यह सीधा सा मामला है कि वह कम्पनी के ऊपर कब्जा करना चाहता है। सरकारी पक्ष के लोग उस की सांठ-गांठ में हैं। इसी सदन के माननीय सदस्य बहुगुणा जी ने ओपेनली सरकार पर यह चार्ज लगाया है, लेकिन सरकार की तरफ से अभी तक उस का खण्डन नहीं हुआ है।

तो एक तो मैं कहना चाहता था रिला-
एंस कम्पनी के सम्बन्ध में, एक अपीजे के सम्बन्ध में और एक स्वराज्य पाल के संबंध में। लेकिन मैं कहना चाहूंगा कि स्वराज्य पाल ने कई बुनियादी मुद्दों को भी रखने का प्रयास किया है। घर का भेदी लंका ढाए या एक चोर दूसरे चोर को चौर कहता है। एक सांप जो दूसरे सांप को काटता है, वही कहावत इस में भी लागू होती है। मंत्री महोदय और सरकार ठण्डे दिमाग से सोचें तो यह देश के लिए भी अच्छा सूचक है। स्वराज पाल ने एलीगेशन लगाया है कि जितने बिजनेस के लोग बड़े-बड़े बैठे हुए हैं ये सब लोग अभी तक सामन्त-वादी प्रकृति से ग्रसित हैं। उन का सब कुछ हेरिडेटरी चल रहा है। बाप के बाद बेटा, बेटे के बाद पोता, पोते के बाद परपोता यह चलता रहता है। उस ने बताया है कि डी० सी० एम० में भरत राम का कितना शेयर लगा हुआ है? एस्कोर्ट्स में नन्दा का

कितना लगा हुआ है? लेकिन वह मालिक बन कर बैठे हुए हैं। उस ने बताया है कि जो गेस्ट हाउसेज हैं इन का निर्माण किस के लिए होता है? इम्पाला कार किस के लिए खरीदी जाती है? इस पर कौन चढ़ता है? हवाई जहाज जो खरीदे जाते हैं उन पर कौन चढ़ता है? यह कहा जायगा कि हम तो मैनेजिंग डायरेक्टर हैं और हम को दस हजार रुपया महीना मिलता है। लेकिन रोज विरला मन्दिर का निर्माण भी होता। आज हम लोगों को पहली बार मालूम हुआ है इस विवाद के बाद कि विरला का पैसा उस में नहीं है, यह पैसा तो सारी कम्पनी का है, सरकार का है और पब्लिक का है। विरला के नाम पर रोज विदेशों और देशों में मंदिर बनते जा रहे हैं।... (व्यवधान) ... विरला मंदिर रोज बन रहे हैं।

श्री अटल बिहारी वाजपेयी : भक्तों का पैसा ही तो लगेगा भगवान के लिए।

श्री राम विलास पासवान : भरतराम और नन्दा ने कहा है मेरी तो कुछ पूंजी भी है चार परसेंट और टाटा कम्पनी में टाटा का शेयर 2.5 परसेंट है। नारीमन प्वाइंट पर दस एकड़ जमीन टाटा ने खरीदी है अन्तुले के समय में टाटा के नाम पर। यह टाटा नाम क्यों रहेगा जब पैसा टाटा का नहीं है, पब्लिक का पैसा है तो पब्लिक के किसी आदमी का नाम रहे, टाटा का क्यों रहे? ... (व्यवधान) ... यह मोदी का हास्पिटल है... मोदी हास्पिटल का नाम क्यों रहे? (व्यवधान)

श्री रामावतार शास्त्री : राम विलास पासवान हास्पिटल कर दिया जाए।

श्री राम विलास पासवान : राम विलास पासवान का ही नाम रहे, उससे तो यह बढ़िया नाम होगा ।

अब मैं आपके माध्यम से सरकार से तीन चार प्रश्न पूछना चाहता हूँ । वह जो विवाद उत्पन्न हुआ है इससे देश के पूंजीपतियों का पर्दा फाश हुआ है । मैं जानना चाहता हूँ क्या यह सही है कि रिजर्व बैंक आफ इंडिया ने कहा है कि स्वराजपाल की 13 कंपनियों ने शेयर खरीदने के लिए जो रशि पंजाब नेशनल बैंक द्वारा शेयर ब्रोकर को भेजी थी उसमें फेरा का उलंघन किया गया है ?

क्या यह सही है कि कैपरो ग्रुप की 13 कंपनियों ने रिजर्व बैंक की तसल्ली किए बिना कि उन कंपनियों में 60 प्रतिशत शेयर नान-रेजिडेंट इंडियन के हैं, भारतीय कंपनियों के शेयर खरीदने शुरू कर दिए ? क्या यह सही है कि रिजर्व बैंक ने यह भी पाया कि कैपरो ग्रुप ने अपनी 13 कंपनियों के नाम से अलग अलग शेयर खरीदने शुरू कर दिए जबकि 13 कंपनियों को एक ही यूनिट माना जाना चाहिए ?

क्या यह सही है कि वर्तमान एटार्नी जनरल ने भी अपनी सहमति रिजर्व बैंक की फाइंडिंग के साथ दी है ? क्या यह भी सही है कि पहले रिजर्व बैंक के गवर्नर पर दबाव डाला गया, जब वह नहीं माना तो बचाने के लिए आर० के० कौल को डिप्टी गवर्नर बनाया गया ? पेपर में यह बयान आया है और सरकार की तरफ से उसका खण्डन भी नहीं किया गया है । उसमें कहा गया है :

Governor, Dr. Manmohan Singh refusing to meet some non-resident investors like Swaraj Pal and is said to have decided to let Mr. Kaul to have control over both the Foreign Exchange Departments of the commercial banks and other financial institutions."

क्या यह सही है कि स्वराज पाल अमीचन्द प्यारे लाल ग्रुप का एक्टिव डायरेक्टर है ? क्या यह भी सही है कि अमीचन्द प्यारेलाल ग्रुप की बांधलियों के संबंध में संसदीय कार्यवाही में 700 से अधिक पृष्ठ रंगे हुए हैं जिसमें चीटिंग, ब्लैकमार्केटिंग, शार्ट सप्लाई, भूटे बिल बनाना आदि सम्मिलित है ? इन सब का मैं स्पष्ट जवाब चाहता हूँ ।

इन शब्दों के साथ मैं आपको भी बहुत धन्यवाद देता हूँ कि आप कम से कम इस महत्वपूर्ण डिबेट के मौके पर यहां आ गए ।

SHRI BRAJAMOHAN MOHANTY (Puri) : Mr. Speaker, Sir, at the outset I would submit before the House that the policy pursued by the Finance Minister or the Government of India about the investment of the industrialists of Indian origin in India is very sound policy. I was not surprised when the hon. Member, Mr. Paswan, narrated the history or some investigating aspect of the financial strength of a particular company because I knew that the opinion of some of the Board of Directors of some companies will have its reflection in his House.

Sir, we are not concerned here about the particular deal. We have announced the policy and certain industrialists were encouraged to participate in our development and they are coming forward. So, we have to examine whether a particular deal is a genuine one or whether a particular deal is to be accepted or not. But it is not our approach that we should go into the fact as to wherefrom the money

"The Prime Minister's Secretariat is said to be angry with Reserve Bank

Shri Brajamohan Mohanty]

came and how it came, and what is the background of the industrialists. If that would have been the case, my submission would be that a number of collaborations with private foreign companies will not be possible here, in India.

Sir, why was this pragmatic policy adopted? Every one knows that we are running short of foreign exchange and foreign exchange being brought into our investment will help us.

We also know that our industry needs modernisation. Our technology is backward and we want the most advanced and sophisticated technology. Everybody knows how in private companies share holders money is being squandered away. Who does not know how the members of the Board of Directors are leading luxurious and maharaja like life? The primary concern is the interest of the share holder and not that of the Board of Directors. Some of the members of the Board of Directors are leading luxurious life. In these circumstances we have to encourage competition. So far as mixed economy is concerned, my submission is if it is to be made successful there must be competition. I am quoting the opinion expressed by the Estimates Committee in their 42nd Report of 1982. It has been categorically stated :

“Committee feel that there is greater need to selectively relax industrial economy and fiscal policies gradually in non-strategic sector so that at least in the long run the economy can derive benefit of international competition and within the country there is healthy competition between the private and public sector.”

Who does not know that the private sector always cries for free enterprise, free competition? The possibility of free competition can be by inviting non-resident industrialists. Why they are preventing, I do not understand. Who does not know about the members of the Board of

Directors by whom ownership of the company has been taken over by a very paltry ownership of equity share-with 5 to 6% of equity shares they take over the management and they have established an empire and they are squandering away money of the share holders.

Most of the funds of the private companies are coming from the public financial institutions and so far as my report goes in 97 companies the ownership of the public equity/shares of the financial institutions goes to more than 25% but persons holding 5% to 7% equity shares are controlling the management. They are misusing money. This is the anomaly of the situation. My submission would be, of course, this is a pragmatic approach—if the private companies are to stay they must be competitive, they must have modern technology, they must have not only the internal competition, they must confront international competition. Unless that is there, the private sector has absolutely no role to play in the field of economy.

Another aspect is about the legal position. Why is this legal crisis generating? It is generating on account of the fact that some of the companies refuse transfer of the share but in Chapter III of the Companies Law, the transferrability is a rule. It can be refused only in case where it does not serve the interest of the shareholders and the company. My submission would be, the whole crisis is being generated because of the fact that the share transfer has been refused. Not only Swaraj Paul purchases have been refused but this has also been refused in the case of an Indian industrialist Shri Bharat Bhushan. So far as Nanda of Escorts is concerned he has advertised for sale of shares.

But when the people came forward to purchase the shares, immediately the Board of Directors refused. This is very unfortunate. Why the industrialists here in India are so much afraid, so much nervous of the international competition? I do not understand it. One thing, we

must know very much that the Finance Minister has not only given some concessions but he has put some ceiling on the purchase—5% or something like that. Regarding the fiscal relief also, it is restricted. And there has been specific instructions given by the Finance Ministry that there should not be any attempt for destabilisation. Initially, there was a row that the companies would be taken over. Now that has gone. Now the row is, destabilisation. I do not understand how the competition would lead to destabilisation. I think, there can be no future for the private sector in this country. That is why, I would urge upon the Finance Minister that he should see that the policy pronounced by them must be effectively implemented and worked out. Any attempt to prevent the transferability of share must be throttled and prevented.

My second submission would be that he should take particular care to stop the squandering of shareholders' money and stop the Maharaja-like way of living being enjoyed by the Board of Directors. As you know, much of our cultural deviation is...*(Interruptions)*.

PROF. RUP CHAND PAL (Hooghly) : So late you are realising this.

SHRI BRAJAMOHAN MOHANTY : I am not late. Your Government in West Bengal is now proposing to transfer 125 public sector units to private sector. Let us not forget about it. I would humbly appeal to the Members of CPM friends that they should learn thing at least from the Communists countries like China. Let them learn what is Pragmatism. The new slogan there is "getting rich is glorious". Whether the cat is white or black, if it catches the rat, it is all right.

The Minister of Finance must take decisive steps to stop squandering and see that the interests of the shareholders are protected. Another submission would be about the public financial institutions'

investment in private companies. The role of nominees of the financial institutions in the Board of Directors has been passive. If they could be more active, the number of sick industries will not grow. The sickness of the industrial growth is more in spite of the presence of the nominee of the public financial institutions. My submission would be if we have the financial institutions which have got more than 25% of the shareholdings or equity-ownership, why do they not take over that company? I am not saying that the industry should be taken over. At least, the management part of it can be taken over in order to safeguard the interests of the financial institutions which is also the public money.

So far as the private companies are concerned, it is the money which has been advanced by the public financial institutions and the shareholders' money. But the Board of Directors rule over the company and empires are built up; lobbies are built up around Parliament. That is what is going on. My submission would be that the Finance Minister must look into these things.

SHRI ATAL BIHARI VAJPAYEE (New Delhi) : He is referring to the Inner Lobby or Outer Lobby?

SHRI BRAJAMOHAN MOHANTY : The hon. Finance Minister in the question and answer time has said that a committee has been set up to examine the role of the nominees of the financial institutions. My submission would be that the report of the committee may take years. Therefore, immediate steps should be taken so that the nominees of the public institutions play a very active role in the Board of Directors.

SHRI K. LAKKAPPA (Tumkur) : Mr. Speaker, Sir, the issue of purchase of shares of Indian companies by non-resident Indians has provoked controversy during these days. This matter was dis-

[Shri K. Lakkappa]

cussed in the Rajya Sabha and this is being discussed now here. The point at issue is about the transfer of shares by the Company Law Board where the shares have been purchased by non-resident Indians without assigning any reasons. That has provoked a lot of public debate. It is being discussed not only public but also the industrial houses. It is not only Mr. Swraj Paul but so many other people have purchased shares. The shares are being sold in the share market and these are being purchased by the people.

I do not hold any brief for anybody, as my hon. friend on the other side was holding brief for others. My hon. friend, Mr. Mohanty, has rightly said that the behaviour of the larger houses either in this country or outside is the same. At the same time, here is a case on which the Government policy has already been announced. It has been debated in this House several times whenever the Budget is presented by the Finance Minister—it may be from the other side or this side whether to encourage investments in India by non-resident Indians so that valuable foreign exchange could be earned by the country. This is one of the important aspects. In this regard, the Government policy has been announced.

It is not that the shares are being purchased for the purpose of manipulation. Therefore, we cannot make that charge. It is on the basis of the policy announced by the Government of India that non-resident Indians are purchasing shares and debentures of Indian companies. Under the liberalised scheme of the RBI, the overseas firms the partnership firms, predominantly non-resident Indians, could also invest in Indian companies. It is on the basis of this that many Indians who are living abroad and who have made money are investing in this country for the development of this country. They are taking a lot of interest and thereby foreign exchange shortage can be obviated. This has been accepted as a normal policy of the Government of India.

The RBI by its Circular No. 9 dated April 14, 1982, has liberalised the investments in this country. It is not that somebody has purchased shares or made an investment without any regulation or any policy of the Government. The money is being invested through the banks, say, the Punjab National Bank. The recognised brokers in the share market have purchased the shares.

This matter has been debated outside the country by Indian industrial houses, including these two industrial houses, namely, Escorts and DCM. Recently, on their overseas tour, they have made observations that the business houses have canvassed for buying the shares by non-resident Indians. It is not that all of a sudden "A" has purchased shares of the two companies or the two large houses and that has created or provoked controversy. The policy of the Government of India as advocated by these two larger houses outside also was in their knowledge and that 'A' who has invested money was also present and there was also a meaningful dialogue on it. Therefore, this investment is in conformity with the policy of the Government of India. When the investment was made, the shares were purchased, it is a simple logic that the transfer of shares was being objected without assigning any reason whatsoever.

If that is so, how the policy of the Government of India of investment by outsiders would evoke any interest? And this controversy has created many doubts in the minds of the people because many non-resident Indians abroad wanted to invest money here in this country and this kind of obstruction without assigning any reason to transfer share will again create confusion and the investors will think twice because they cannot take the risk. Therefore, if the larger interests of the country are to be safeguarded, it is not that the money of the companies of 'A' are invested in the companies of 'B'. It is also discussed by the two larger houses on that basis and debated. Where is the control of the two larger

houses? It is not the control by the two larger houses, by the Board of Directors. They have invested not even 4% or 5% respectively and 45%-54% of the money is being invested by the financial institutions. I have made a speech here during the debate. I hope that other friends will also agree with me. Even the private companies holding the financial institutions' money, should be subject to the purview of scrutiny by Parliament.

SOME HON. MEMBERS : Yes.

SHRI K. LAKKAPPA : Yes, you say yes. Why should you say? Therefore, it is the most important thing to know that my friends are directly or indirectly defending the two larger houses and talking of the political motives of this side. They must only confine to the reasons, whether the transfer of shares is valid or not.

(Interruptions)

PROF. MADHU DANDAVATE (Rajapur) : I am only in this House.

SHRI K. LAKKAPPA : I know that Prof. Dandavate will agree with me. Please do not go to those larger houses.

When this investment is in accordance with that and the rejection is without assigning any reasons, it is not only erroneous. It cannot be done by any stretch of imagination.

The two larger houses protested when they have made the investments. I would like to quote the observations made by these two larger houses, recently in Calcutta. They must have gone to the other lobby.

"The press and public are not the persons to decide the issue"

because it is their ancestral property. It is their own money.

It is the public institutional money and so it cannot be defrauded.

The stranglehold of this money is being operated through various methods. This kind of operations are going on and my friend is not even confining to the subject and he is beating about the bush.

It is another point that they have an investment or control of only 4% and 5% respectively. According to the recent direction and the policy of the MRTP Act, they must acquire 25% of the shares. I can understand one thing. That is, they can also dictate terms. The options left to them are—either they should not have squandered or they should quit the management. There is no other option for them. They cannot play through the blind spectators. They are after all the representatives of the financial institutions. They should know when they attend the board meeting as to why more than 50% of the money is invested by the financial institutions. Why they have not been able to decide about why more than 50% of the money is invested by these financial institutions. This is a most important thing which the Finance Ministry should take note of.

This is the way these larger houses are being run. My friend was just talking the other way round. Here I would like to quote for the benefit of the House the question which I put and the answer given by the hon. Minister. This was Unstarred Question No. 2677 on 9th August 1953.

I quote :

- “(a) whether it is a fact that the Escorts Ltd. purchased fixture and furniture worth Rs. 1.12 crores during the year 1982;
- (b) If so, full details of the fixture and furniture purchased, purpose thereof and places where used ;
- (c) whether nominees of the financial institutions who reportedly con-

trol, bulk of the Company's equity capital exercise and control on such lavish and extravagant spendings by the company; if not, who authorised such a large expenditure ;

(d) whether Government have any control to ensure that the funds/assets of the Company are not squandered to the detriment of the interests of company and its minority shareholders ;

(e) if not, will Government consider taking appropriate safeguards in this behalf ?”

To this question, the answer given by the Minister of Law, Justice and Company Affairs was :

“(a) Yes, Sir.

(b) Details of the furniture and fixtures purchased, purpose thereof and the places where these are used are not required statutorily to be furnished in the annual accounts as this is essentially a matter of internal administration of the company.”

Sir, that is why we need the Company Law to be scrutinised. There should be structural changes made in the law. This is nothing but misuse of funds. This is a squandering of the money of the financial institutions on whom there May not be any scrupulous control. I say that they must be vigilant and they should not be purchased by the directors who are the minority shareholders. What is the wealth of the ordinary shareholders ? What about their investment ? And what are their rights in that company ? This has also to be taken note of.

The other hon. friend said that there was a lot of squandering of money by the larger houses. I do not want to make any personal or character assassination. The point is whether this

squandering of money is subjected to t^{er} scrutiny ? Cannot the people who are the watchdogs of these financial institutions' money apply their mind to frame their own rules to see that the unscrupulous people do not play with the money belonging to the public. Our representatives to-day, in such a situation, only become silent spectators. Therefore, I say, that the Finance Ministry should see to it that actions are taken so far as this aspect of the matter in concerned.

Even jewellery worth Rs. 4 to 5 crores are purchased in the name of the companies and rented out to the family members. Can this be allowed by way stretch of imagination, Sir ? Under what law is this being allowed ? All this is being used by the relatives of these people. The sons, sons-in-law and other relatives are directors and they draw a fabulous amount of salary. You allow 4 per cent man to control 50 per cent investment by the Government. Therefore, government should come out with structural changes in the system. I say that transfer of shares in this matter is not only justifiable but it is also in the larger interest of our country. The rejection made by these people or by these companies or any other companies shakes the security and confidence created in our stock market which should not get impaired. The confidence created by our economy and the system should not be violated. Therefore, under these circumstances the Government of India should take a pragmatic and prudent approach to see that such transfers for the larger interest are accepted and also there should not be any kind of doubt about these things. I hope the Finance Minister will see that these things are done.

श्री वृद्धि चन्द्र जैन (वाड़मेर) : अध्यक्ष महोदय, भारतीय अर्थ-व्यवस्था को सुदृढ़ बनाने के लिए हमारी सरकार ने निर्णय लिया है कि भारतीय मूल के नागरिकों को, जो कि विदेश में रहते हैं, इस देश में प्रोत्साहन दिया जाये और सुविधायें दी जायें ताकि

जो राशि उनके पास विदेशों में जमा है, उसको इस देश में उपयोग में लाया जा सके।

यह जानकारी है कि विदेश में रहने वाले भारतीय नागरिकों के पास 30 से 90 हजार करोड़ तक की राशि है। अगर 25 प्रतिशत राशि का भी उपयोग इस देश में होता है तो इससे हमारी अर्थ-व्यवस्था की शक्ति बढ़ती है। हम यह नहीं चाहते कि आई० एम० एफ० और वर्ल्ड बैंक से लोन लें परंतु यह जरूर चाहते हैं कि भारतीय मूल के नागरिकों के पास जो राशि है, उसका लाभ हम भारत में उठा सकें और प्रगति कर सकें यह प्रश्न बहुत गम्भीर और सोचनीय है।

श्री पासवान जी ने जो भाषण दिया, उसका निचोड़ यह था कि जो भी राशि भारतीय मूल के निवासियों के नाम से विदेशों से आ रही है यह ब्लैक मनी है, जो कि यहां से ब्लैक में ले जाकर वहां से ह्वाइट मनी के रूप में इस देश में आ रही है। यह बात सही है। यह हमें मानकर चलना पड़ेगा और वित्त मंत्री जी को भी मानना पड़ेगा कि जो भी राशि आये, इनकम टैक्स के बारे में भी जो वालेंटियरी डिस्क्लोजर स्कीम बनाई गई थी, उसमें भी यह राशि आई थी। यह जानकारी थी कि इस प्रकार की राशि आयेगी और आ रही है और आगे भी आयेगी। परन्तु इसके साथ जो राशि उन लोगों से आयेगी जो हमारे अरब देशों में, मुस्लिम देशों में मजदूर, एक्सपर्ट्स, डाक्टर लोग लगे हुए हैं, उनकी पूंजी का लाभ भी इस तरह से हमें मिल सकेगा।

दबाव डालते हैं कि वह यह जांच करें कि किस सोर्स से यह राशि प्राप्त हुई है, तो भारतीय मूल के विदेशों में रहने वाले नागरिकों से लाभ उठाने की योजना सफल नहीं हो सकेगी, क्योंकि अगर सोर्स के बारे में इन्वेस्टीगेशन किया जायेगा, तो कौन राशि जमा करायेंगा और कौन शेयरज परचेज करेगा? मैं नहीं करूँगे। और फिर इस बारे में जांच करना और मालूम करना भी कठिन है—आसान नहीं है—किस प्रकार राशि प्राप्त हुई।

PROF. N. G. RANGA (Guntur) : It is not their function either.

श्री वृद्धि चन्द्र जैन : इस बात की जांच करना भी आवश्यक है कि स्वराज पाल या उसकी कैप्रो कंपनी के 13 यूनिट्स ने शेयरज कब परचेज किए, सरकार द्वारा की गई घोषणा से पहले परचेज किए या बाद में, और पहले कितने परचेज किए तथा बाद में कितने परचेज किए यह जानकारी अवश्य मिलनी चाहिए, ताकि हम मालूम कर सकें कि हमने उन कंपनीज की पेड अब केपिटल की जो 5 परसेंट की लिमिट बांधी है, क्या स्वराज पाल या उसकी कंपनी के 13 यूनिट्स ने उससे अधिक शेयरज खरीदे हैं।

जब उन्होंने एस्कार्ट्स और डी० सी० एम० के शेयरज परचेज करने के लिए एप्लिकेशन दी और उसे रिजेक्ट कर दिया गया तो इसके बारे में स्वराज पाल की कम्पनीज और ब्रोकरज ने क्यों नहीं अपील की? अपील करने के लिए कितना टाइम फिक्स्ड है? जब समय पर अपील नहीं की गई, तो फिर गवर्नमेंट उनको कनसेशन देती हैं?

18 00 hrs.

अगर हम फिनांस मिनिस्टर पर यह

हमारे देश में मानोपलिस्ट्स पर रेस्ट्रि-

[श्री वृद्धि चन्द्र जैन]

कशंज हैं कि वे इसके ज्यादा अपना कारो-
बार नहीं कर सकते । क्या नान-रेजिडेंट
इंडियन विदेशों में स्थित अपनी कम्पनियों
के फिनांसिज से यहां पर शेयर खरीद
खरीद कर एम० आर० टी० पी० का
उलंघन तो नहीं कर रहे हैं ? यह जानकारी
प्राप्त करना भी आवश्यक है ।

मैंने मालूम किया है कि एस्काटर्ग के
शेयरहोल्डर्स में से 70,000 शेयर्स मि० नन्दा
के हैं और 11,000 शेयर्स मि० भूतलिंगम
के हैं, जो रिटायर्ड आई० सी० एस० हैं
और सेक्रेटरी फिनांस थे । प्रश्न यह है कि
एक आई० सी० एस० ने किस प्रकार ये
शेयर्स परचेज किए । क्या उसने सेक्रेटरी
फिनांस की पोजीशन का अनड्यु एडवांटेज
तो नहीं उठाया ?

दूसरा प्रश्न यह है कि क्या श्री रंगनाथ,
कि हमारे भूतपूर्व सी० ए० जी० रहे हैं,
उन्होंने भी तो कहीं अपनी पोजीशन का
नाजायज फायदा तो नहीं उठाया क्योंकि वे
भी इसके डायरेक्टर हैं ? इसी तरह से मि०
जान गेथार्ड, जो कि सेंट्रल गवर्नमेंट
में मिनिस्टर थे, उनके सुपुत्र मि०
दिलीप ने कोई नाजायज फायदा तो नहीं
उठाया है ?

अगर शेयरहोल्डर्स का इन्ट्रेस्ट प्रोटेक्ट
नहीं किया जाता है और मैनेजिंग डाय-
रेक्टर्स पैत्रिक लाभ उठाते हैं और वेस्टफुल
एक्सपेंडीचर करते हैं तो यह एक विचार-
णीय प्रश्न है जिसकी ओर स्वराज पाल ने
भी ध्यान आकर्षित किया है । अगर शेयर-
होल्डर्स के राइट्स का प्रोटेक्शन नहीं होता
है, उनका रिटर्न सात परसेंट ही आता है
जबकि बीस परसेंट आना चाहिए तो मेरा

निवेदन है कि सरकार ऐसी बड़ी कम्पनियों
की जांच कराए और तथ्यों का पता लगाए ।
यदि वे अपनी सम्पत्ति बढ़ाकर अन्य कम्प-
नियां खोल रहे हैं और अपने खानदान के
लोगों को कहां पर मैनेजिंग डायरेक्टर
बनाते हैं तो इस स्थिति को वर्दाश्त नहीं
किया जाना चाहिए ।

इन प्रश्नों की ओर माननीय मन्त्री का
ध्यान आकर्षित करते हुए । मैं चाहूंगा कि इन
उद्योगों को इस प्रकार से चलाया जाए
जिसमें शेयरहोल्डर्स के हितों का प्रोटेक्शन
हो और उद्योगपति निरंकुश कार्यवाही
करके अनुचित लाभ न उठाने पायें ।

SHRI KUSUMA KRISHNA MUR-
THY (Amlapuram) : Mr. Speaker, Sir,
a serious thinking has started in India,
among the people, that in the process of
encouraging non-resident investments in
India, whether the Government was trying
to create a remote control system over
Indian companies. They are also seri-
ously thinking whether this would also
lead to destabilising the established indus-
tries. These are very important factors
and this thinking is not only among the
Members of Parliament but it is also get-
ting into the minds of the people of our
country. Sir, everybody would agree that
we need foreign exchange and for that
purpose, in response to various represen-
tations from various sectors, including
the Members of Parliament, a Committee
was set up. Later on after examining
the various aspects during 1982-83 budget
the Government brought forward some
proposals of liberalised concessions to
nonresident Indian investors for economic
prosperity of the country. Now, after
giving all these concessions, we have to
see whether the purpose for which these
concessions have been given is served or
not.

In response to various representations,
the Government announced some con-
cessions to non-resident Indians in respect
of investments in new issues of compa-
nies and also portfolio investment in
shares in 1982-83 budget. And also in

order to give a filip and impetus to these facilities, certain fiscal concessions were announced by the Finance Minister in the 1983-84 budget. The concessions provided for a levy of a flat rate of tax at 20% plus a surcharge of 2.5% on income derived by non-resident Indians from investments in the specified assets. The objectives were quite clear. It was just to promote the economic prosperity of the country. The Committee appointed for the purpose had agreed to this process and this enabled the Government to announce these concessions. Consequently, the Government has taken some steps to create the necessary climate to attract adequate investments in India from abroad. This is very important. Further, the Finance Minister made it absolutely clear when he made some pronouncements that proper safeguards had been taken and the public financial institutes had been told specifically to remain alert about large scale purchases and sale of shares because this can have repercussions on the management by the concerned industrial units.

Later on, during the discussions both in Rajya Sabha as also in reply to various questions in Lok Sabha, the Finance Minister made it clear that about this issue a mountain was being made out of a mole hill, meaning thereby that we were having in unnecessary obsession in regard to this matter. But the misgivings among the industrialists here are increasing day by day and have not been cleared.

Now, Swaraj Paul has purchased certain shares in some companies, and those established industries who were considered to be well managed, and efficiently run have not cooperated. One important fact is that they have decided not to transfer the shares. It has really created a doubt in the minds of the people. Why should these industrial houses worry about these things if they are really established? after thirty-four years of our independence, the Government invited for a small investment from abroad that far from non-resident Indians in the interest of our

economy, and prosperity of our industry. These establishments are now creating impediments and certainly this has created a kind of impression and doubt in the minds of the people for their trying to block the whole process. This is an important things.

Apart from this, when these industrial houses are creating this kind of impediments, naturally this has further created on impression that they are trying to misuse the governmental concessions, and they have created a lobby demanding Government to give blanket concessions, which would really mean to create a dangerous climate for building up the infrastructure and also creating their own hierarchy.

I personally believe that this, whether Swaraj Paul factor has created an eye-opener and thought-provoking situation. It has really given the country and the people an opportunity to ponder how far these industries are really established, well managed and efficiently managed. I would like to know from the Hon. Minister specifically when he brought the concessions to create an atmosphere for industrial growth and economic prosperity, could he not visualise this kind of a situation? Because when the shares were purchased and they have suddenly decided not to come; and when the Government has taken care to see that this process is augmented, I don't know whether he had visualised the situation or not. Apart from that the impression created in the minds of the people that this would lead to destabilising of industries is also an important factor. The Minister should make it clear to the House.

I would also like to know whether the process which has already been initiated at no cost will be destabilised. And also in the process of upgrading and strengthening the industrial base, the concessions should not be misused. Besides the Government also should not allow the monopoly houses to have their right to perpetuate the hereditary rulership, because in the name of investment, they

[Shri Kusuma Krishna Murthy]

spend money in a large-scale for their tours or for various wasteful expenditure, which are not conducive to the growth of industry or economy. Therefore, the liberalised concessions, which was meant for non-Western Indian investors should not be misused to the detriment of our economic progress, the very purpose for which the concession was brought.

Secondly, the concession which has been enjoyed by the industrialists for 34 years should not be misused and should not be allowed to act as a lobby to get concessions.

PROF. MADHU DANDAVATE (Rajapur) : Mr. Speaker, Sir, after the announcement of certain concessions in the 1983-84 Budget, there was a new spurt in the activity of non-Resident investments in the Indian companies.

Sir, let me make it very clear at the very outset that the fierce controversy that is going on between Swaraj Paul and his supporters on the one side and other capitalists on the other is indeed a civil war in the capitalist world in India ; and a person like me, who is committed to a socialist ideology does not want to intervene on either side, but want to expose the reality that the contention of some non-Resident Indian industrialists that they are the paragons of all virtues and others are the only blacksheep in the capitalist world, we wish to point out very clearly that both the sections are birds of the same feather flocking together. It is in this perspective that I would like to put forward the entire controversy.

At the very outset I would like to touch upon one aspect and I would like to keep my mind open.

As far as various concessions are concerned, at one stage when I had given a Privilege Notice, in that case there was a note sent to me by the Finance Minister in which he argued that a pertinent point which needs to be observed in this con-

nection is that the various fiscal concessions are applicable to non-resident Indians and not to overseas corporate bodies which continue to be taxed at the same rate in vogue earlier. Sir, it is a question of interpretation. If you carefully read Paragraph 81 of Part B of the Finance Minister's speech, where it refers to :

“I propose to levy a flat rate of tax of 20% plus surcharge on income derived by such persons : ”

In legal as well as economic terminology the persons also include the companies as well.

I would be happy if my interpretation is wrong.

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : Totally wrong.

PROF. MADHU DANDAVATE : Probably. But, according to me, it is not. And according to some interpreters having an adequate knowledge of law and economics, it is not so. Anyway, that is not a very relevant.

As far as this aspect is concerned, it is a fact. I do concede that in the 1982-83 budget—which I had also read carefully—there were certain provisions giving incentives to non-residents having investments in India. But the reality of the situation is—they are talking too much of pragmatism—that after the 1983-84 budget, there is a new spurt of activity as far as investment is concerned. And, therefore, that aspect has to be taken note of.

PROF. N.G. RANGA : It is not bad.

PROF. MADHU DANDAVATE : It is not bad, but the way it is done—let us come to that. Even good things can

be done in a bad way. And I think Swraj Paul is a master in doing that. On the one side, we have families of industrialists who, on the strength of equity shares of only 5%, control the companies; e.g. eleven houses with a personal investment of Rs. 148 crores control Rs. 2700 crores worth of fixed assets funded by public money. (*Interruptions*).

As far as non-resident investors like Swraj Paul are concerned, let us try to see whether they are genuine investors or only speculators and gamblers. Economy cannot be built by speculation and gambling. After all, when some one wants to invest in Indian industries or Indian companies, even from a business point of view, which are the elements that will decide whether there is no risk involved in investment in the Indian companies? The three elements, according to me, are return, liquidity and safety. You will find that as far as Swraj Paul's investments are concerned, almost all these elements are completely lacking.

Looking at the performance of the Caparo group with which Swraj Paul is connected—they have been trying to invest Rs. 13 crores in DCM and Escorts, on their own admission—not one of Caparo group's 13 companies has declared a dividend in the year 1981. In a company, declaring dividend is one of the indices of its economic performance. That has not been there. Eleven out of these 13 companies showed losses in 1980-81. (*Interruptions*).

Prof. Ranga has raised a question. What they could not do there, they want to do here. Swraj Paul operated against a letter of guarantee from a Swiss bank. Investment in Reliance Textile Industries is another interesting story. I will not go into the details, to which Mr. Ram Vilas Paswan has referred. but only to two names. They are very interesting: Crocodile—not tears—it is Crocodile Company; and the second company's name is Fiasco—not fiasco economically—it is a limited company. These are some of the companies having Rs. 221 lakhs'

investment, Rs. 208 lakhs' investment and Rs. 234 lakhs' investment. That is the pattern which is there. I would like to know from the hon. Minister these companies are bogus and *benami* companies. I would like to have a categorical answer from him.

I would also like to know whether all the normal procedures for registration have been followed, whether there are properly constituted directors, whether there are proper share-holders and whether their lists are maintained.

There is one more provision, with which hon. Minister will agree. It is their Budget which is being violated. As Prof. Ranga said, there is nothing wrong in non-residents making investment in Indian companies; but there is one statutory provision. It is that only those companies in U.K., USA or anywhere else i.e. foreign companies in which the non resident Indians have an equity share of the order of 60% or more, can actually invest in the companies in India. I would like to know from him: have all these so-called companies which have investment in this Reliance Textiles, fulfill this condition of 60% shares?

India's money, I am of the opinion, has gone to U.K. and has come back for investment. The reason is that if these companies were to invest through proper channel in a regular manner without violating any procedure, then there are two possibilities; either they must have mopped up enough profit or surpluses or the second possibility is that their credit worthiness is high; they are able to draw large loan and they are able to utilise this loan for purchasing the shares of companies; whether they are DCM or Escorts, it is immaterial. Now, it is indicative from the record that they have no such credit worthiness and they have not drawn such big loan and at the same time the surpluses or the profits mopped up are also of not very high order. So, the obvious conclusion is that some money, unaccounted money from India flown into that direction and what

[Prof. Madhu Dandavate]

has flown into those countries have come back to India for the utilization of money for purchasing of shares. Now, these transactions have taken place.

It is my information that now they may take technical shelter that the Reserve Bank of India has not given the report. Sometimes the RB does not send the report, but send certain observations, send certain strictures, certain appreciation and certain criticism. Has the RBI sent certain observations which are critical about investments that have been made in purchasing shares by Mr. Paul? Whether the previous Attorney General—because in one of his speeches Mr. Paul has said—has already given him the advice that his activity of purchasing shares is perfectly all right. If his statement is correct that the previous Attorney General has already given him the advice, I would like to know from the hon. Finance Minister in which capacity the former Attorney-General has given the advice? Is it correct that the new Attorney-General has already given the advice to the Government of India and has indicated that all these transactions and purchase of shares by Mr. Paul are in violation of certain legal procedure; they are very wrong and they are not advisable.

I am one among those who believe that it is perfectly in order for the public sector financial institutions to feel that if they give credit/loan, provide capital to certain companies, in that case, they must have share; in the prosperity of those companies; there is nothing wrong. Therefore, I am one of those who justify convertibility clause that is imposed by the public sector financial institutions. But I would like to go a step further and say that whenever a fear was created that Paul was likely to make capture bids to take away certain companies, it was indicated, do not be frightened; after all, the public sector financial institutions have also taken companies; and they said that we will side the management and try to foil any effort of capture bids of ygood management. But there are ver interesting aspects. Is it correct—

I would like to prove to be incorrect—that they are utilising this power that is in the hands of the financial institutions as some sort of a amocle's sword? Are they going to make a general declaration that as far as the representatives of the financial institutions are concerned, they will prevent any capture bids? Are they going to tap these various companies? When there is an indication that certain companies are prepared to oblige some person, in that case, those companies will be defended and protected. So, it will be used as a black-mailing agency to threaten some companies and protect some other companies rather than set up certain norms on the basis of which the attitude of the financial institutions towards all these will be decided.

Sir, Mr. Swaraj Paul's sources of income also must be investigated. In fact, I have demanded investigation. This is the last point to which I am making a reference.

He cannot claim to be a big industrialist. He can claim to be a big trader. False takeover bids are attempts by commercial capital to swallow the industrial capital. All that he has done is, he has borrowed money, he has drawn money, and one does not know what are his sources, one does not know what type of guarantees he has produced, against what he has given the guarantees, and that money is being utilised to purchase shares. It is a new phenomenon in the capitalist world, it is commercial capital that is trying to swallow the industrial capital, and therefore I would like to know from the hon. Finance Minister that to all the various queries that I have made in the course of this discussion, he may give us complete clarifications so that we will be able to have a useful and meaningful debate which has been started by Swaraj Paul.

MR. SPEAKER : Shri Somnath Chatterjee.

SHRI SOMNATH CHATTERJEE
(Jadavpur) : What we are discussing to-

day is not doubt assumed importance and what we are witnessing today in the industrial scene is a bizarre drama full of fun and mischief, where not only actors on the stage, but those who are behind are taking the country and the people for a ride.

AN HON. MEMBER : We are all actors.

SHRI SOMNATH CHATTERJEE : A person of Indian origin who renounced deliberately his Indian citizenship, but who was rewarded with Padma Bhushan for his so-called invisible service to our country, is now strutting the stage of the corporate sector like a buccaneer trying to grab what are called, well established industries as if they were lollipops, under benign dispensation.

One of the conditionalities of IMF loans has been liberalisation of imports and inflow of foreign capital into this country and we have seen that priority has been given to what I may call foreign Indian capital. Yes, you cannot get rid of IMF.

In his last Budget speech the hon. Finance Minister has said that with a view to encourage investment by non-resident Indians, he was offering a packet of concessions and incentives to non-resident Indians including persons of Indian origin. Incentives are to be given for certain specified investments and the specified investments include not only investment in shares, but also debentures of companies, deposits, Unit Trusts, in Government securities and other assets which might be notified by the Government. We do not know and we would like to know from the hon. Minister how much money has come to our country under the special provisions which have been invested, let us say, in deposits in companies, or debentures in companies or Government securities or Unit Trusts or any other assets that might be specified; because they would not give a good return to any honest *bona fide* investors in India and I mean those who are non-

Indians or non-resident of Indian origin.

18.33 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

I had given an amendment to the Finance Bill to that clause. I said, why are you importing this concept of a foreign Indian? A non-Indian may be a person of Indian origin; but he has renounced his Indian nationality. (Interruptions). Kindly hold on; have patience.

PROF. N.G. RANGA : They have not renounced. What about East African Indians? They have not given up Indian citizenship.

SHRI SOMNATH CHATTERJEE : Prof. Ranga, of all the persons, you should not be impatient. You should be a model of patience to all others.

The hon. Minister's reply was I have got his reply with me—that there may have been many reasons for their giving up Indian citizenship.

But we do not want to stop them from investing in these companies. But what we find is that except one person, really one person, whose name is everyday in the papers these days and who is holding lunchoun meetings, dinner meetings press conferences, hardly we hear any other person taking advantage of this provision. Where are those non-residents of Indian origin? What is the total investment made since the budgetary provisions has been made and by how many of them?

One thing is very important. It has come out in the papers. But I am making it very clear that I have no personal knowledge and I am not a speculator also. But it has been stated in various publications including economic journals that even before the concessions were announced in the Budget, there had been quite a noticeable spree in the purchase of shares of certain companies which are treated as well established companies in this

[Shri Somnath Chatterjee]

country. It is also very significant that before a Budget, a speculator or an investor in shares becomes cautious because nobody knows what the Budget will provide. In this case it is stated—I leave it to the hon. Finance Minister to accept or reject or modify what I have found in the papers—that here there was a spurt in the purchase of shares of two or three big companies. Did the Government have knowledge about this? Was it a sort of retrospective approval of purchase of shares?

It is alleged that they had an inkling or knowledge of the change of policy that was going to come about in the Budget speech. That is why we find significantly that the investments up to the Budget are supposedly only in the shares and not in other firms which are more secure and more safe and with a certainty of a proper return on the investments like Unit Trust, Government securities, deposits in companies, etc. But investment is only made where there is doubtful return namely shares in joint stock companies. Therefore, the contention is that an important policy decision was taken by the Government and a law was enacted with a view to enable repatriation of funds locked up in foreign countries which would otherwise not have been available in this country and in the same process to acquire control of what are generally known as well established concerns in this country. These two objectives, it appears from a survey of the industrial scene now in this country, are sought to be achieved through one individual, this Padma Bhushan, whose closeness to the power bloc of this country is admitted by this gentleman and not denied by others. Mr. Swaraj Paul has declared jihad against feudalism in industry and against dynastic succession in industrial management by persons who according to him, hold minority shares. Persons with minority share holding should not have perpetual control over the companies. This is his objection because that amounts to dynastic succession. But he does not object to dynastic succession in the political set-up by persons with minority popular

support. That is the difference.

We do not support on principle dynastic succession either in industry or in politics. We have no illusions (Interruptions)

AN HON. MEMBER : What about the sons of CPM leaders?

ANOTHER HON. MEMBER : His knowledge is so limited.

SHRI SOMNATH CHATTERJEE : Nor have we any illusions about the Nandas, Bharat Rams, the Reliance people, Ambhani or for that matter Swaraj Paul. We know from our experience, and that is unfortunately the situation in this country, that a handful of people enjoy all the benefits, or the preponderant benefits and privileges; all the comforts and advantages of royal standard of living are being appropriated by them. While their profits are increasing even with the minimal percentage of shareholding, the ordinary people are getting more and more impoverished. They are issuing more and more bonus shares while denying bonus to the workers. This is the position in the country today.

In this context, we have to think of one aspect. 11 industrial houses in this country are controlling, or are enjoying public financial institutions to the extent Rs. 27,000 crores, when ordinary people have to run after big bosses in the banking sector, and unless the palms are greased nothing comes out. Security has to be provided even by unemployed people to get loans while these people are being provided all these facilities.

Necessarily, on some issues Shri Swaraj Paul seems to be on very good wicket, very appealing to the hon. Members on the other side, who are so much concerned about the refusal of registration of shares. I am not supporting either, because there is nothing to choose between them, but bedlam has been let loose. The so-called established industries in our country are today in jitters and the Government is deliberately playing cool. I say that it is taking a stance of aversion against destabilisation—all these

words have come into the industrial sector now. They say that there will be no de-stablisation of established and well-managed concerns. But I have no manner of doubt that it is nothing but a war of attrition and, ultimately, the favourites will win. I have no doubt about it. The laws will be bended if necessary further amended, so that finally a legal shape can be given to what has been conceived a long time back. In the mean time, Nandas and Bharat Rams will try to ingratiate themselves to the powers-that-be, because in this country even industry has to thrive with political patronage. But I give a warning to Bharat Rams and Nandas; that today they may think that the Government is on their side, but their days are numbered.

The key to the solution is in the hands of the Government. The big companies are running with public funds. Public financial institutions are holding the majority of shares in each of those big companies. They can make or unmake any management, they can select the management today. But what we find is that a situation is being created as if it is a fight between Nandas and Bharat Ram on the side and Swaraj Paul on the other and so on and so forth. Why is the Government not coming in a big way in this matter? Why is it that the concessions are being given in dribblets? From Rs. 1 lakh it was changed to one per cent and then to 5 per cent. The Reserve Bank regulations have been violated and the Government does not wake up. The Punjab National Bank, one of the biggest nationalise banks, has permitted this money being remitted through it.

Moneys have been made over in violation of the exchange control rules. If our information is incorrect we would like to be corrected by the hon. Minister.

Sir, he says a mountain is being made out of a mole-hill. Whose creation is this? I specifically had raised the question during the discussion on my amendment to the Finance Bill as to how you can

be sure about the source of the money, whether this will be tainted money, whether this has been earned by smuggling or out of trafficking in drugs or heroin. I remember having used those expressions, I read it in the debate today again. What was the hon. Minister's reply? A frank confession. He said: "Yes. Day in and day out we are told that non-residents have money, we make conditions conducive for their investment and today if you want to know whether this money is black, white or yellow, whether this money is tainted or not, we do not have any machinery to know. I do agree with that. Nobody has it."

Therefore, a scheme was evolved where the money which is to come here for investment—the Finance Minister admits on the floor of this House that there is no machinery to find out whether it is earned out of smuggling or out of repatriation in the other way, of money which had gone from this country or been earned elsewhere coming back to this country. That is yellow probably. What is the source of this money? All the questions that are being put as to the Caparo or whatever the pronunciation is, how these companies of this group acquired so much of funds when the companies they are supposedly running, the companies which have supposedly provided funds are absolutely either a tottering organisation or a losing organisation, they have no money, no reserve, no borrowing has been shown and the Finance Minister says, 'I am not concerned, I only want the foreign exchange.' Therefore, today, if somebody goes from this country for one year outside, an Indian, somehow manages to take black money from here and brings it as white money, you are extending your arms to welcome him. That is your philosophy. To those who have cheated the Income-tax Department and have earned black money, you have given the Special Bearer bonds. That is the difference between you and us. Today the war is on. From the battle of words it will probably for a while become a battle of legal wits for the time being. But as I said, the die is cast. The future is of Pauls because they have the clout. There-

[Shri Somnath Chatterjee]

fore, I would like to know from the hon. Minister what information the Government has about the sources of money that has come to this country under this non-resident scheme, were the exchange control laws violated or not? I would like to know about the Government's action and the views on the role of the Punjab National Bank. I would also like to know on what basis and principles the Government changed its policy by increasing the foreign share-holding of companies from 1 per cent to 5 per cent. I would like to know what is the attitude of the Government with regard to the share transfers. Sir, the Government under the Companies Act—there is law for companies (*Interruptions*). You know that, very good—provides that if any proposed transfer of shares is against public interest or against the interest of a company the Government can stop the transfer of shares. Why are you not utilising the power? Section 180 is there is investigation possible under Section 247 and so on and so forth, which also provides for stopping of registration of transfer of shares. Why is the Government—not utilising it but trying to create an uncertainty in situation in the minds of those people who are supposedly keenly concerned about India's future because in regard to these companies, today the condition has become certain? I would like to know whether the Government is thinking on that.

I have an answer of the Company Affairs Department. It is very important. They say :

“No specific permission of the Government is required under the Companies Act for registration of shares unless the acquisition is to the extent of 25 per cent and more of the shares of an MRIP Company. Hence, there has been no occasion for laying down any policy or guideline under the Companies Act for registration of shares in Indian Companies purchased by non-resident Indians and non-residents of Indian origin.

However, specific permission is required for acquisition of shares of Indian Companies by non-residents under the Foreign Exchange Regulation Act.”

I am reading from the brief prepared by the Company Affairs Department. Whether foreign exchange regulation permission was taken by any of these persons for acquisition of shares? I would like to know what is the role of the financial institutions in this matter? We are not touching anybody. We are keeping our options open. We shall not disturb well managed companies but who will decide ultimately which is a well managed company or not? Therefore, what is the role of the financial institutions in this respect? I would like to know the role of the Department of Company Affairs and of the Finance Ministry in this. One thing is very important. Paul's Family is in India—he has got brothers who are well established in business with track record which Shri Ram Vilas Paswan has shown, nothing to be proud of. But they are one of the top people supposedly in this country because they have money. They can purchase shares. No bar. They are Indian residents, Indian nationals. That will be added to these 5%. Therefore, this family can control both these companies without violating any law. I would like to know the policy of the Government in this matter.

I would end by making one demand. Our demand is all these companies in which the public financial institutions have majority or controlling share should be treated as Government companies. Law can be easily changed in a jiffy and the so-called efficient Board of Directors who are treated to be expert Managers, I do not want them to lose their job, they should be treated as paid Managers of the Government companies so that the so-called feudalism and dynastic succession may be abolished from the Indian industrial scene even if private capital is permitted, as such as people are concerned to have it abolished from the political scene.

MR. DEPUTY SPEAKER : There are about twelve hon. Members to speak from both sides. Even if every hon. Member takes ten minutes it will take two hours. The Minister may be able to reply at 9 O'Clock. Therefore, I would make an appeal to all the hon. Members not to take more than seven to ten minutes.

(Interruptions)

MR. DEPUTY SPEAKER : If you are prepared to sit, I will accommodate everybody. When the reply is given, the House must be full. When the reply is given I do not find many Members. Therefore, I would appeal to the hon. Members to take the briefest time possible.

Shri Deen Bandhu Verma.

SHRI DEEN BANDHU VERMA : (Udaipur) : I am grateful to you for providing me an opportunity to participate in very important discussion of public importance. We all know that in our country corporate business will be guided by the Company Law and the basic objective of this Act is to safeguard the interest of the share holders. *(Interruptions)*.

PROF. N. G. RANGA : Why do you want twelve more Members to speak ? Did we not have sufficient debate ? I do not understand this procedure.

SHRI SONTOSH MOHAN DEV (Silchar) : Please reduce some speakers.

THE DEPUTY MINISTER IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (KUMARI KUMUDBEN M. JOSHI) : Sir, I want to make submission. There is also a half-an-hour discussion in the agenda...

MR. DEPUTY SPEAKER : That is why I am calling only one Member from each Party. I am not calling more than one. Already 5 Members from all Parties have participated in the debate.

PROF. N. G. RANGA : Just because everybody gives his name everybody should speak ?

PROF. MADHU DANDAVATE : Half-an-hour discussion may burn the midnight oil.

MR. DEPUTY SPEAKER : You please decide about the time.

PROF. N. G. RANGA : I concede that it is the function of the chair to see whether there has been or there is reasonable debate. But it does not mean that every one who simply sends his name to you should be allowed to speak and we should be condemned to wait for hours and hours together.

MR. DEPUTY SPEAKER : That is why I said that they should not take more than five minutes.

SHRI C. M. STEPHEN (Gulbarga) : Before you took the chair, we saw that the Speaker was very very strict—even the person who opened the debate was to finish within a very short time. He was cutting short. Therefore, we could take the view and have an impression that the debate would be closed very quick. The House will be prepared to sit for long if the matter concerned is so vital and of national importance.

SHRI K. P. UNNIKRISHNAN (Badagara) : It is important.

SHRI C. M. STEPHEN : According to you. Somebody has purchased the shares. Transfer must be done or not that is the issue, and the points have been raised. This was a matter for the calling-attention and it was later converted into this discussion so that some other Members may also like to take part. If the matter is of such great national importance sweeping the entire country, we can certainly sit and burn the midnight oil. This is not such a matter at all.

[Shri C.M. Stephen]

The principal Opposition Parties have spoken. There may be group and all that. It is different. We cannot treat every group as a principal Opposition Party. The principal Opposition Parties have spoken. Now, we want to know what exactly the Government will have to say. We are awaiting only to here the Government's view. All the points have been brought out. We cannot remain sitting like that until all the 12 people speak, 12 minutes each or 5 minutes each and all that.

Now, it is 7 O'clock. Half-an-hour discussion is also to take place. The debate will have to be closed and I will have to move for closure. It cannot be continued. It cannot be permitted. *(Interruptions)*

Two-hour has been allotted. We are not prepared to wait for five minutes more. Within the two hours debate have to be closed and concluded. It started at 5 O'clock. Now, the debate should close and the Minister has got to reply.

PROF. MADHU DANDAVATE : He is more aggressive than Mr. Swraj Paul.

SHRI K. P. UNNIKRISHNAN : I am on a point of order.

I do not understand this ferocious tantrum that is being displayed here. *(Interruptions).*

SHRI C. M. STEPHEN : What is this "tantrum" ?

SHRI K. P. UNNIKRISHNAN : I do not listen to your **

SHRI C. M. STEPHEN : ** What do you mean by that ? ** Don't speak ** *(Interruptions)* Shadow Party is sitting here. Two fellows are sitting here. We are not prepared to hear the Party. Here is the Party of two fellows. We are not prepared to listen.

MR. DEPUTY SPEAKER : No, no. Don't make it an issue.

(Interruptions)

MR. DEPUTY SPEAKER : What is that you want ?

(Interruptions)

SHRI K.P. UNNIKRISHNAN : This debate is taking place. *(Interruptions.)*

MR. DEPUTY SPEAKER : Other hon. Members may please sit down.

SHRIMATI PRAMILA DANDAVATE (Bombay North Central) : ** should be expunged. *(Interruptions).*

MR. DEPUTY SPEAKER : Why don't you please sit down ?

SHRI K. P. UNNIKRISHNAN : This debate is taking place in the context of an agreement that was reached—I do not want to say that—in the Business Advisory Committee where the Speaker has agreed and he is also a party as well as Chief Whip is the party. He is not the Chief Whip ; he may be a general secretary of the Party. The Minister for Parliamentary Affairs has said that it will be a full-fledged debate where Members will be allowed to express themselves adequately. It is not a question of the spokesmen from the Opposition Parties or from the other side and then applying for a closure. This is the agreement and there is no question of going back from the agreement.

19.00 hrs.

SHRI C. M. STEPHEN : Sir, I rise on a point of order. *(Interruptions)*

This is discussion under rule 193. The caption is described as "Short Duration Discussion" and the time is prescribed for that. The time prescribed is 2 hours. We are now sitting beyond the prescribed

time for this discussion. As a member of the House I am entitled to demand that I shall not be forced to sit here beyond the time that has been prescribed or allotted for this discussion. Please take note of the fact that this is a discussion under rule. 193. Please read the heading of that particular rule. It is not a long discussion that is permitted at all. It is a short discussion and the time is prescribed. The debate must conclude within that time. The debate can be extended beyond the time prescribed only with the unanimous permission of the House, not otherwise. I do object to taking it beyond the time that was allowed. I cannot be forced to sit upto mid-night. I am prepared to sit for 2 hours, not a minute beyond 2 hours. Therefore, I object to the debate being extended beyond the prescribed time and, if it has to be, you have to take the permission of the House.

SHRI SATYASADHAN CHAKRABORTY (Calcutta South) : There is one solution. He can go home and read the reply of the hon. Minister in newspapers. *(Interruptions)*.

MR. DEPUTY SPEAKER : Now, we have already exceded 2 hours. I think, only 4 members have spoken. If we go on like that, if there is no time limit fixed for members, how can we conduct the proceedings of the House? Every member shall take not more than 10 minutes. There are 12 members wanting to speak. Everybody must be given a chance as you desire, and you say that it is an important discussion and all that. But when I make an appeal and ring the bell, you do not stop and it goes on upto 10 O' clock and 11 O' clock. The Minister has also got to reply.

SHRI C. M. STEPHEN : You have got to take the sense of the House.

(Interruptions).

PROF. MADHU DANDAVATE : You expunge Mr. Stephen from the House.

SHRI C.M. STEPHEN: That they did; not Stephen but Stephen's leader they did expel. Please remember those days.

(Interruptions).

SHRI SOMNATH CHATTERJEE : That was before your defection.

(Interruptions).

MR. DEPUTY SPEAKER : The discussion has been allowed. The Business Advisory Committee has taken a decision about it. We will decide how long we are going to sit.

PROF. N. G. RANGA : I do not want to sit beyond 8 O' clock.

(Interruptions)

SHRI SUNIL MAITRA : (Calcutta North East) : In that case let them remember that when the Government business is there, we will not sit for so long. *(Interruptions)*.

MR. DEPUTY SPEAKER : Hon. Members. I have understood the sense of the House. The discussion will be allowed upto 8 O' clock. The Minister will reply 8 O' clock. Every member is requested not to take more than 7 to 10 minutes. *(Interruptions)* I have given my decision.

SHRI SUNIL MAITRA : How can you give a decision like that ?

(Interruptions).

MR. DEPUTY SPEAKER : The discussion will go on up to 8 O' Clock and the Minister will then reply. *(Interruptions)*.

We will work out on that. That is what I am telling.

SHRI ATAL BIHARI VAJPAYEE (New Delhi) : Why the discussion not begun at 4 O'Clock ?

MR. DEPUTY SPEAKER : I think the Members will not take more time. I have suggested a so ution. And it will go on.

SHRI C. M. STEPHEN : Let me be very firm about this. I heard you saying 'It will go on.'

PROF. N.G. RANGA : I do not agree with you.

MR. DEPUTY SPEAKER : I have said that it will go up to 8 O'Clock. The reply will be given at 8 O'Clock.

Shri Deen Bandhu Verma will speak now.

(Interruptions)

SHRI HARISH KUMAR GANGWAR (Pilibhit) : The House will not run on the advice of Mr. Stephen.

SHRI DEEN BANDHU VERMA (Udaipur) : Sir, We all know that in our country, corporate business activities are being guided by Company Law Act, 1955. The basic objectives of these regulations are to safeguard the interest of shareholders and partners in the business and to enforce the proper performance of duties by the management of the company and to empower the Government to intervene and investigate into the affairs of any company which is being managed in a manner prejudicial to the interest of the share-holders or to the public interest.

Company whether in private or public sector has great economic and social importance. In India, it has played a central role in the rapid industrialisation and fast economic development of our country. The growth of joint stock enterprises in our country since 1936 has been so rapid that now it covers such large an area of industrial and commercial field in the private sector of the country's economy that the structure and mechanism of company management has now become a subject of importance of overhauling and changes.

The company form of organisation did not grow in India but was imported from Great Britain. When India became free after partition, we had 25,583 companies with Rs. 479 crores paid up capital and in

1948 the figure rose to 22,675 with paid of Rs. 570 crores.

Since the commencement of first five year plan in 1951, we are steadily growing in this field and till today we are having paid-up capital of Rs. 16,962.1 crores in 70,000 public limited companies approximately. It has today the central position in the economic development of our country but when the shortage of foreign exchange has become a regular major constraint in the economic development of our country, then naturally our Government thought to go to tap the resources available with the non-residents and I must extend my full appreciation and congratulations to the Finance Minister and the government.

The Government of India, since Independence, has for the first time, extended an invitation to the Indians living abroad to cooperate for the overall development of our country.

Under the circumstances, our friends living abroad tried to invest in the equity capital of Indian Companies. Then certain controversy was raised by the industrialists in our country which were actually unwarranted. I do not know the reasons thereof. The Chairman of the FICCI, Shri Jain himself extended an invitation in London on 10th of August '83 to our people living abroad to invest in the equity capital of the Indian Companies. But, the same person is now objecting about the investments made by them. However, I do not want to go into details of this controversy, But I would like to draw the attention of the hon. Finance Minister as well as the Minister for Company Law /Affairs to some of the basic issues which I want to raise in this august House which are as follows :

To-day, in the present circumstance as, shareholder is a silent spectator. He knows the king of his industrial empire but the king does not know him. You know, our country is a democratic country and we believe in the principle of democracy but in the Company Law Act, no adequate status with powers has been

given to a shareholder. For years together, he waits for the return of his investment made by him but one day after years of waiting, he comes to know by registered letter that his company has gone into liquidation.

MR. DEPUTY-SPEAKER : you only ask for clarifications.

SHRI DEEN BANDHU VERMA : if the poor man invests, for example, in a bank, he gets double of this amount from the banks by way fixed deposit. Some fixed deposit schemes have also been started by Government. But, when he invests the same amount of his hard earned money in these companies, one day, he gets a very disappointing behaviour from public limited companies.

That is the fate of a shareholder in India to-day. My second point which I want to place before you is that almost in all public limited companies in private sector, promoter, and directors are controlling the companies and hardly with 15% of their investment and rest comes as a loan from the financial institutions or as a subsidy from the Central Government or State Governments and also as equity from the public. This major contribution is by other public and Government sources but even then the sons and grandsons of the promoters and directors are being automatically made Managing Directors and the same is being approved by the Ministry of Law, Justice and Company Affairs.

To check this dynastic control of these public limited companies, my suggestions are as follows :

1. We must have a Board like the Public Enterprise Selection Board which selects the Chairma and Managing Directors of Govt. undertaking, there should be a similar Selection Board constituted for these private limited companies also so that the prescribed election and proper nomination of the managing directors and Chairman can be made.

(2) This Selection Board should be judiciously constituted from reputed industrialists, shareholders, union leaders, public men and seniormost government officers.

With these, I conclude with the suggestion that the interests of the shareholders should be safeguarded by the hon. Finance Minister.

श्री राजेश कुमार सिंह (फिरोजाबाद) :
उपाध्यक्ष महोदय, यह जो चर्चा हो रही है, यह उद्योगपतियों के विषय में होती दिखाई पड़ रही है। लेकिन वास्तविकता यह है कि माननीय मंत्री जी ने बार-बार अपने वक्तव्य में यह कहा है कि हमने नान रेजीडेंट इंडियंस को इसलिए इन्वाइट किया है— फार द एक्सपेंशन एण्ड बेटरमेंट आफ इंडस्ट्री।

अगर आपकी यह मंशा थी तो इस मंशा में यह बात साफ हो जानी चाहिए थी कि जो वेल एस्टेब्लिश्ड इंडस्ट्रीज हैं, आर्गेनाइजेशंस हैं, कंमन हैं, जो प्रोफिट में चल रही हैं उनमें इनके इन्वेस्ट करने की क्या जरूरत है। मेरे कहने का तात्पर्य यह है कि जब आपका यह मंशा है कि आप अपने औद्योगिक ढांचे को मजबूत बनाने के लिए यह इन्वाइट कर रहे हैं तो आपको न्यू बेंचर्स में इन्वेस्ट करने के लिए उन्हें इन्वाइट करना चाहिए था।

जब आप विदेशों में गये थे तो आप से लोगों ने कहा था कि आप इंटरनेशनल मोनिटरी फण्ड से पैसा क्यों ले रहे हैं, हम ही आपको देने को तैयार हैं तो आपके दिल में यह बात आई कि जो पहले कभी भारतीय थे, जो ओरिजनली भारतीय हैं अब वहां के सिटीजन बन गये हैं, किसी देश के बन गये

[श्री राजेश कुमार सिंह]

हैं तो क्यों न उनसे भारत में इन्वेस्टमेंट कराया जाए। मैं आपसे कहना चाहूंगा कि आप जो नान रेजीडेंट इंडियंस से इन्वेस्टमेंट कराने के कदम उठा रहे हैं तो इन्वेस्टमेंट वेल एस्टेब्लिशड इंडस्ट्रीज में क्यों करा रहे हैं ? इसमें इन्वेस्टमेंट कराने की कोई आवश्यकता नहीं है। नये वेंचर में आप इन्वेस्टमेंट करायें।

जैसा कि मेरे पूर्व वक्ता बता रहे थे कि अगर आप इस इन्वेस्टमेंट को नहीं रोकेंगे तो आपकी सारी इंडस्ट्रीज फ्रोक कर जाएगी। अपनी इंडस्ट्रीज को बचाने के लिए ही, अपनी आर्थिक व्यवस्था को बनाये रखने के लिए ही आपने कानून बनाया कि हम मल्टीनेशनल कम्पनीज को इन्वाइट नहीं करेंगे। अगर सरकार की यही मंशा है तो यह मंशा तो अगर आप नान रेजीडेंट इंडियंस को न्यू वेंचर में इन्वेस्टमेंट करने के लिए इन्वाइट करते तो उससे पूरी हो जाती। वे न्यू वेंचर्स में न्यू इंडस्ट्रीज में पैसा इन्वेस्ट करें।

स्वराजपाल के बारे में जो स्थिति है, उसके बारे में मैं कुछ नहीं कहना चाहूंगा। लेकिन स्वराजपाल के बारे में माननीय सदस्यों ने जो चर्चा उठाई है उसमें कहा गया है कि जो भी पैसा लगता है तो आखिर उस पैसे का स्रोत कहां है, वह कहां से आता है। जो ब्लैक मनी है अगर उसको फिर से वापस कर देश में इन्वेस्ट करना है तो उससे सही मायनों में ब्लैक और व्हाइट का धंधा फिर शुरू हो जायगा। यह सारी बात है। मैं तो किसान हूँ, व्यापार के बारे में कम ही जानता हूँ। लेकिन मोटी बुद्धि से मुझे लगता है कि इसमें गड़बड़ है। एस्को-

र्ट्स वालों और डी० सी० एम० वालों ने भी कहा है कि इसमें इररेगुलेरिटीज हैं। मैं फेरा कम्पनीज की बात नहीं कर रहा हूँ जिनमें कि रजिस्ट्रेशन करने की इररेगुलेरिटीज पैदा हुई हैं। स्वराज पाल का यह कहना कि देश की सारी बड़ी इंडस्ट्रीज में गड़बड़ है। मेरा ख्याल है कि गड़बड़ी के कारण जो सिक इंडस्ट्रीज हैं उनमें उन्होंने इन्वेस्ट नहीं किया है। वेल एस्टेब्लिशड इंडस्ट्रीज में उन्होंने शेअर लिये हैं। वे बनी-बनाई चीज को ही केचर कर रहे हैं जिस पर कि सरकार को प्रतिबंध लगाना चाहिए।

मान्यवर यह चर्चा उठाई कि ये सोसिज कहां से आये हैं, अगर हम यह पूछने लगे तो हो सकता है कि लोग इन्वेस्टमेंट न करें। लेकिन इसमें यह बात भी साफ होनी चाहिए कि इससे कहीं देश के आर्थिक ढाँचे पर चोट न पहुंचाई जाए। अगर उनका मंशा यह है कि देश की इंडस्ट्रीज में गड़बड़ है और वे आने वाले दिनों में इनको टेक ओवर करना चाहते हैं तो फिर आपके सामने कांस्टीच्युशनल प्रश्न भी उठ खड़े हो सकते हैं। इसलिए आप उनके हाथों में खेलने का प्रयास न करें।

जहां तक मेरी राय है आप इस बारे में विचार करें। रिजर्व बैंक आफ इंडिया वालों ने एस्कोर्ट्स वालों को कहा है। उसके बारे में आपको रिपोर्ट मिली है या नहीं ? इस बारे में मंत्री जी अच्छी तरह से जानते होंगे। उसमें क्या कमियां हैं, क्यों इन्होंने इसको रोकने का प्रयास किया। इसमें आप देखिए कि नान रेजीडेंट इंडियंस के बारे में लिखा है—

FERA defines 'persons resident in India' and 'Persons resident outside

India', A 'Person resident outside India' is defined as a person who is not resident in India; and a 'Person resident in India' is defined basically as a citizen of India who has been staying in India at any time after March 25, 1947.

यह तो इसका परिभाषा है। दूसरी बात मैं इसलिए कह रहा हूँ कि कल को बंगलादेश और पाकिस्तान में रहने वाले लोगों का मामला भी उठ सकता है। जिन लोगों ने वहाँ की नागरिकता ले ली है पर कभी इस देश में रहते थे। इसमें देखिए—

The book "Non-resident Indians : An investment guide" Published by Indian Investment Centre, a Union Government Organisation, lays down seven criteria.

इसमें क्राइटेरिया दिया हुआ है—

An Indian citizen who has made his permanent home outside India and acquired foreign citizenship.

इसलिए इसमें पाकिस्तान और बंगलादेश के लोग भी आ सकते हैं और पाकिस्तान का होस्टाइल एटीट्यूड हमारी तरफ रहता ही है। वे भी इन्वेस्ट करेंगे। आपने उनके लिए भी इजाजत दे दी है।

इस तरह से यह नान रेजिडेंट इंडियंस का मामला पेचीदा है। यह हमारे लिए खतरनाक हो सकता है। आने वाले दिनों में यह देश के लिए खतरनाक हो सकता है। ये हमारी आर्थिक स्थिति हर चोट कर सकते हैं। इस मामले में सरकार को बहुत सतर्कता बरतनी चाहिए। सरकार आज भी नान रेजिडेंट इंडियंस को इन्वाइट कर रही है तो इनके लिए यह नियम बनाया जाना चाहिए कि सिर्फ सिर्फ इंडस्ट्रीज और कहीं

कोई नई शुरुआत करनी है तो उसमें ये सहयोग कर सकते हैं। अगर वेल सैटल्ड आर्गनाइजेशंस में इनका सहयोग लिया जाएगा तो देश की आर्थिक व्यवस्था के लिए ठीक नहीं होगा।

श्री गिरधारी लाल डोगरा (जम्मू) : जनावेआली, मैं दा ही बातों का जिक्र करना चाहता हूँ। माननीय सदस्य तो आपस में ही कई बातों में फंस गए और एक दूसरे पर आरोप लगाने लगे। मैं सिर्फ दो ही बातें कहूंगा। पहली बात तो यह है कि सरकार ने जब यह सिस्टम बनाया था तो 5 परसेंट की रिस्ट्रिक्शन लगाई थी। ठीक है, फारेन मनी की सरकार को जरूरत पड़ती है। इसके लिए दो ही रास्ते हैं। या तो कर्जा लिया जाए और या नान रेजिडेंट इंडियंस को कहें कि वे इन्वेस्ट करें। चाहिए तो यह था कि उनके डिपॉजिट को भी यह लगवाने (इन्वेस्ट करने) की कोशिश की जाती मगर हम उनके बाप-दादा की हिस्ट्री सही या गलत में फंसकर हमारे दोस्तों ने बहस में कंपलीकेशंस पैदा कर दी। इसमें कांग्रेस पार्टी का भी नाम लिया गया। ए० पी० जे० का काम बंगाल में ज्यादा हो रहा है। जिन केसों का जिक्र हुआ वह बंगाल में ही चले होंगे। इन्हें पता नहीं है कि क्या फैसला हुआ है वह सी० पी० एम० वाले जाने। सी० पी० एम० वालों के वहाँ सब मुकदमे चलते थे, हमारे वहाँ नहीं चलते थे। हम यह नहीं कहते कि ये अच्छे हैं या बुरे हैं। बात यह है कि रुपया आना चाहिए या नहीं आना चाहिए। कर्जा लेंगे तो इंटरनेशनल इंडस्ट्रीयूशंस के रास्ते बंद हो गए हैं। ओपन मार्केट में 20-21 परसेंट सूद से कम नहीं मिलेगा। विदेशी मुद्रा लानी है या नहीं लानी है इसके बारे में पालिसी साफ होनी

[श्री गिरधारी लाल डोगरा]

चाहिए। साफ न होने से किसी को लाभ नहीं। कानून बना है तो उसकी वजाहत भी होनी चाहिए। टेंटिड मनी है या नहीं दूसरे मुल्क में जाकर आप कैसे पता लगा सके हैं, इस तरह से इस बात को भी आपको देखना चाहिए। कोई बाहर का देश अपनी घरेलू बातों में दखल नहीं देने देगा। अपने देश में लेकिन देख नहीं पाते हैं तो दूसरे मुल्कों में आपको कौन जाकर देखने देगा? अपने घर में तो पता नहीं लगता है दूसरे मुल्कों में जाकर आप किस तरह से इनवेस्टीगेशन कर सकेंगे, कैसे पता लगा सकेंगे और क्या दूसरे मुल्क आपको वहां इनवेस्टीगेट करने देगा।

प्रो० मधु दण्डवते : यहां का काला धन जा कर सफ़ेद हो—कर यहां वापिस आ रहा है।

श्री गिरधारी लाल डोगरा : आप तो इकोनोमिक्स के प्रोफेसर हैं। काला धन सरफ़ेस पर आ जाए तो तमाम समस्या हल हो सकती है? सारी दिक्कत तो यही है कि यह सरफ़ेस पर नहीं आता है। इसमें नारी दिक्कत है। उसको आप कंट्रोल में लाने की कोशिश भी करते हैं। छापे भी मारते हैं। आप इकोनोमिस्ट होकर इस तरह की बात करते हैं जैसे एक बाजारू पालिटिशियन करता है, यह बहुत अफसोस की बात है। मैं काले धन के टोटली अगेंस्ट हूँ। टोटली इसको गवर्नमेंट को कंट्रोल में लाना चाहिए। कंट्रोल में नहीं करेंगे तो कुछ नहीं होगा। लेकिन यह कंट्रोल नहीं हो रहा है, गवर्नमेंट कंट्रोल नहीं हो रहा है, कंट्रोल में लाने की बात सोची जानी चाहिए। आपको भी रास्ता बताना चाहिए कि किस तरह से इसको बाहर लाया जा सकता है। हमारे क्लाइंट

रूपयेकी पूरी कीमत बाहर नहीं मिलती है तो ब्लैक की कौन देगा?

दूसरी बात मैं स्टॉक एक्सचेंज मार्किट की कहना चाहता हूँ। कोई कम्पनी वैसे कह सकती है कि उसके शेयर बिक नहीं सकते हैं इस वक्त क्या हो रहा है? स्टॉक एक्सचेंज मार्किट में आइसिस पैदा हो गया है। कोई आदमी नहीं जानता है कि शेयर उसने खरीद लिए तो वे ट्रांसफर होंगे या नहीं? शेयर होल्डर अपने शेयर को बेच सकता है या नहीं बेच सकता है? अगर कोई बेचता है तो ट्रांसफर होने से कैसे रोकेंगे। पालिसी इसके बारे में क्लीअर होनी चाहिए। मालूम होना चाहिए इसके बारे में। बोर्ड आफ डायरेक्टर्स किसी कम्पनी के किसी शेयर के बारे में कहेंगे कि ट्रांसफर हो सकेंगे और किसी के कहेंगे नहीं हो सकेंगे। यह प्राबलैम है इसको आप कैसे हल कर रहे हैं यह हमें मालूम होना चाहिए। शेयर अगर शेयर-होल्डर का है शेयरहोल्डर जिसको चाहे बेच सकता है जिस कीमत पर चाहे बेच सकता है। कोई जस्टिफाई कर रहा है, कोई नहीं कर रहा है और गवर्नमेंट हैल्पलैसली देख रही है। स्टॉक एक्सचेंज का जो बिजिनेस है यह पुराने वक्त से चला आ रहा है। जैसे चटर्जी साहब ने कहा इस में रेजीडेंट और नॉन-रेजीडेंट में फर्क नहीं किया जा सकता है। यह जो चीज है इसके बारे में सफाई होनी चाहिए। इसका सारे बिजिनेस पर और सारे इंडस्ट्री पर असर पड़ रहा है, इन्वेस्टमेंट पर असर पड़ रहा है।

मामला साफ है पालिटिक्स लाकर इसमें कनफ्यूजन खड़ा कर दिया है या जान बूझ कर यह जो कनफ्यूशन पैदा कर रहे हैं या दिमाग में कनफ्यूशन है, बरहाल इसको साफ

किया जाना चाहिए। यह एक छोटा इशू है और आपको देखना चाहिए कि क्या करना है और क्या नहीं करना है। आपको अपना माइंड मैकअप करना चाहिए। यही मेरी आपसे गुजारिश है।

SHRI SATISH AGARWAL (Jaipur) : Mr. Deputy-Speaker, Sir, you may kindly recall that the subject which the House is discussing just now was, some days ago, listed for discussing under Calling Attention Motion. But when all the Members belonging to the whole House, from every party and group, demanded a full discussion, the hon. Speaker agreed to convert the Calling Attention Motion into a Motion for discussion under Rule 193. The discussion was going on calmly and quietly, Suddenly, at about 7.00 O'clock, there was a tremor in this House that we should not sit beyond that and then the gentleman moved a closure motion. The idea was not to move the closure motion, but the idea was only to have the time restricted. And, Sir, you announced latter on that the debate would go on up to 8.00 O'clock. The purpose was served, closure motion was not pressed and the hon. gentleman quietly moved out of the House. This is exactly what is happening in the corporate world. Somebody came into the Indian corporate life under the Government scheme for inviting investments from non-resident Indians, created a stir, some people made a loud protest and ultimately he has left the country...(Interruptions).

PROF. N.G. RANGA : What is this ? You should be reasonable.

PROF. MADHU DANDAVATE : He has only mentioned it as an analogy.

PROF. N G RANGA : Any analogy should be reasonable. I have the right to do that ; I am entitled to do that.

SHRI SATISH AGARWAL : I am the last person...(Interruptions).

PROF. N. G. RANGA : I have the right to ask for closure, and I insist upon moving the closure motion. I have already told you that beyond 8 O'clock, I am not going to sit here....(Interruptions). There must be some limit. Why do you waste your time over this introduction ?

SHRI SATISH AGARWAL : I was only drawing an analogy.....

MR. DEPUTY-SPEAKER : I have already announced that we will go upto 8.00 O'clock.

PROF. N.G. RANGA : I am present in the House for almost all the time. You have seen that. There must be some limit...(Interruptions).

SHRI SATISH AGARWAL : I never made a mention about Prof. Ranga. If anybody has the highest regard from me in this House, it is Prof. Ranga.

PROF. N.G. RANGA : You want me to sit till 9.00 or 10.00 p.m. I have been sitting here during the whole day...(Interruptions).

SHRI SATISH AGARWAL : It was a reference to Shri Stephen and I was drawing some analogy on that basis, that he treated a tremor as Swaraj Paul has created, and he should take that in humour and joke.

PROF. N. G. RANGA : You cannot have humour at my expense.

SHRI SATISH AGARWAL : I am so sorry and I regret very much. I had absolutely no reference to Prof. Ranga. It was only to Shri Stephen...(Interruptions)

SHRI SOMNATH CHATTERJEE : Yes, he has referred to Shri Stephen and not to Ranga Ji.

SHRI SATISH AGARWAL : Mr. Deputy-Speaker, Sir, as a matter of fact, this issue should have been debated in this House long back. This was debated in the Rajya Sabha on 2nd August, 1983, and I think, the Finance Minister had made his position very clear in that House. In this House, some arguments have been put forward by my learned colleague, from the Congress side, that the corporate world or the persons ruling that corporate life in this country are leading a very luxurious life, and then Prof. Lakkappa read a question answered in this House and said 'Look here, Nanda and Escorts have squandered away Rs. 1.12 crores over the purchase of furniture and fixtures. But, Mr. Lakkappa, you should not forget that the so-called socialists, progressive elements in this House like him have not raised this question ; it was an answer to my question. Anyway, I do not want to go into all this.

SHRI K. LAKKAPPA : It was my question ; I will read it out.

MR. DEPUTY-SPEAKER : Whose question was it—I will give my ruling tomorrow. I will go through the records and tell you tomorrow.

SHRI SOMNATH CHATTERJEE : Sir, is Lakkappa a Professor ? If so, in which subject ?

SHRI SATISH AGARWAL : On such an important issue there is so much paucity of time that I cannot do justice to the subject as a matter of fact. Whatever facts have been brought on regard by my esteemed colleagues ; Mr. Somnath chatterjee or Prof. Dandavate or Shri Ram Vilas Paswan, I don't want to repeat all that. In this particular case a lot of things are being said with regard to the Management of the Corporate Sector in this country. I am in one with them that there is something to be done with regard to improving functioning of the Corporate Sector. And I have never lagged behind ; Mr. Lakkappa can vouch for it, as Chairman of the PAC, in the Committee itself, and outside in the

reports, in the questions, in the debates in the House, wherever I have brought out such a great research which the CPM people should have done that all these private companies and establishments, where the wealth tax was imposed in 1957 and was suspended in 1960. I did the whole research and persuaded the Hon. Finance Minister to re-impose the wealth tax. So, that way I am in one with him. But if we have so improve our own Corporate Sector, the Finance Minister should do the job. He is the husband and they are the wife. Why do you want some outside villain to take advantage and improve the functioning of your wife, who is unruly, indisciplined, obstinate in your house ? Never permit the outsiders to inter-meddle in your affairs.

MR. DEPUTY-SPEAKER : If the Finance Minister has to be husband of some other wife, he has to take the permission of wife.

PROF. MADHU DANDAVATE : Is it possible ? I think the permission is impossible. There will be Morchas.

SHRI PRANAB MUKHERJEE : I am sure the permission will be refused.

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI H.K.L. BHAGAT) : Mr. Deputy-Speaker, under the law he cannot have second wife even with the consent of the wife. There is no consent divorce.

PROF. MADHU DANDAVATE : That is why I said this. But he said other type of wife.

SHRI SATISH AGARWAL : That is only applicable to Mr. Mukherjee, not to Mr. Bhagat. He does not need it.

SHRI H.K.L. BHAGAT : If it is the

law, it applies equally to you, details are superfluous.

SHRI SATISH AGARWAL : Now, my only objection is that when this controversy arose, the course is open. If the transfer is not resisted, go in appeal. If you are not successful, go to the High Court, if not successful, go to the Supreme Court. I fail to understand why one single individual, a non-Resident Indian, a British national belonging to the APJ group,—I don't want to go into all the history—should be given concessions. Why should the Government of India permit a man, whom we want to benefit out of tax concessions for certain investments in this country, should be allowed to carry on a crusade against the entire corporate sector. If the government has got certain information, I am at one with them, you take stringent action against them. We have so much heavy investment of the financial institutions that some Members have demanded probe and all that. I am sorry to say despite the heavy investment by financial institutions like IDBI, IFCI, ICI, CI and all that, in all these private sector companies, the Government control is minimal; Parliament's control is not there; they are outside the purview of audit, outside the purview of CAG audit, Auditors are not appointed by the CAG as it should be the case in the companies having more than 40% Government equity participation. These are the rules and guidelines. If in consultation with the CAG an auditor should have been appointed, all these irregularities may not have been committed. But the Government is not doing all that. If that would have been done, then the Audit Report would have been placed on the Table of the House. Then some of the Parliamentary Committee may have some access to look into the administrative and financial mismanagement of these companies. These basic things have not been done by the Government.

But now the Finance Minister unnecessarily should not worry at all. If the shares have not been transferred, it should not hurt him, it should not pinch him. As he expressed his feeling of hurt in the

Rajya Sabha, I don't expect that from him now. As a matter of fact, the course is open, the doors are open. Let them go in appeal to the High Court; let them go to Supreme Court. Why should the Finance Minister unnecessarily permit his name to be dragged into all this controversy of Reliance Textiles Swraj Paul, etc. ? That should not be the case. *(Interruption).*

So far as this scheme is concerned, it was somewhere around 14th April 1982 that there was a ceiling of 1% or Rs. 1 lakh, whichever is less. You modified it later on, you removed the ceiling of Rs. 1 lakh. Later on, in 1983, you announced concessions in taxes. Then started the whole trouble. The ceiling of Rs. 1 lakh was removed probably on 20th August 1982—1% or Rs. 1 lakh was your scheme, your Government's scheme. The Reserve Bank's circular was working very well. I do not know for what consideration you removed that ceiling—1% or Rs. 1 lakh, whichever is less. Then you gave certain concessions in 1983. Then started all the trouble.

I would request the Finance Minister to consider this calmly and quietly. "Why don't you restore the position of 14th April 1982 ? You have 1% ceiling; and if you are not satisfied with it, there was this Rs. 1 lakh. You can make it Rs. 5 lakhs or Rs. 2 lakhs. I leave it to your discretion. But why don't you restore the position as on 14th April 1982 ? That is, the scheme that you had, so far as the ceiling on investment, viz., 1% or Rs. 1 lakh ? That particular thing can be made applicable."

Secondly, in this country; in order to check the concentration of economic power in fewer hands, we have got the MRTP Act, etc. This expansion is very much prohibited and regulated. Does the Government not feel—this Swraj Paul is part of Apeejay group; he has got certain investments here also. I don't have that much of time to show all that—that all these companies constitute a particular group, as we have in India with respect to the expansion of, and

[Shri Satish Agarwal]

investment in MRTP houses ? Whenever we consider expansion, establishment, licence or any other Letter of Intent to any MRTP house or a group of companies in that particular house, we take the total MRTP house as one unit ; and we don't permit all that. That is a Government policy, in order to regulate, check and prevent the concentration of economic power in fewer hands. Then, in that particular case there may be a — particular company outside India which is associated with, affiliated to or connected with any MRTP house in this country. If there is a particular group like the Caparo group, and whether there are 13, 23 or 33 companies in it, that particular Caparo group will be deemed to be one unit entitled to 1% investment, so far as that particular group is concerned.

There are establishments of Tatas and Birlas outside India. I wish to warn that if we do not take preventive measures might now, then it may be possible for Birlas, Tatas or any other industrial house in this country which is not permitted to expand more, to make certain investments in the Indian companies through this particular scheme, through their own establishments outside the country, whereby you have permitted 60% non-resident share and 40% foreign share. According to me, it should be stopped. All these 13 companies should have been clubbed ; and the Caparo group as one controlling 13 companies is entitled only to 1% non resident investment under this Portfolio Investment Scheme—not all the 13 companies, 1% each. That goes up to 13%. That is the one suggestion I have to make.

In this particular context, some reference has been made with regard to an RBI enquiry, investigation or probe. You may call it by any name you like. You assured in the Rajya Sabha also that with regard to the eligibility of this particular Caparo group, the matter was being looked into by the Reserve Bank. We would like to know the findings of the Reserve Bank with regard to the

eligibility of these 13 companies belonging to the Caparo group.

I would also like to know what has been the opinion of the Attorney General, Mr. Parasaran, which was sought by the Law Ministry on this particular issue. If you keep all these things in cold storage somewhere, it unnecessarily creates some doubts. As a good friend of yours, Mr. Finance Minister, I would like to advise you not to conceal, but to reveal much more; because if you have got nothing to grind out of it, you must plainly say : 'Here is the opinion of the Attorney-General; here is the opinion of the Reserve Bank of India'.

Now fortunately for this country, the RB is the appex body. We have got an agitation in Punjab. Reports are appearing in the newspapers that the RB Governor, Mr Man Mohan Singh is being sacked, There is a difference, there is a rift between the Finance Minister and Mr. Man Mohan Singh ; may be unfounded But this will not help, this will not help the economy, this will not help the banking institutions, this will not help the financial institutions and this will also not help bringing normalcy in Punjab. So, for God's sake such things should not appear, should not be permitted to appear. You should immediately issue a contradiction, should try to patch up, should try to have some sort of a reconciliatory approach with regard to all these problems. It is not a question of Mr. Paul. Do not get angry on that score. It is a question of the economy hereafter. Please for God's sake do it. I have given certain suggestions with regard to grouping of the 13 companies into Caparo group with one per cent entitlement, eligibility with regard to control.

If certain units are not managed well, if moneys spent, if lavish living is there, then you have got the financial control ; your Directors are there, your nominees are there ; they can take care of them. Please do not keep things in the lunch ;

that this will be done, this will not be done. Have clear cut guidelines that wherever there is mismanagement, no non-residents will be permitted to take over the company, the government will take over the company. You permit them to have venture in investment in other technocrats, doctors lawyers, chartered accountants ; various schemes are there. They should take advantage of them. This whole scheme was intended to invite doctors, engineers, technocrats, chartered accountants, etc. It was meant to give them benefits, attract their capital. That would have much more. It was not to invite a person like Mr Swaraj Paul who has abused everybody in this country including the Members of Parliament. We are ashamed of all that ; and then he has got scot free to England. After all, it is not desirable.

With these words, I am not opposed to the scheme as such, but I wish that necessary amendment in this particular scheme should be brought. I have made some suggestions and I am sure that the Finance Minister will consider them calmly and quietly.

श्री गिरधारी लाल व्यास (भीलवाड़ा) :
उपाध्यक्ष महोदय, यह जो 5-6 परसेंट शेयर-मनी वाले लोग करोड़ों रुपये की सम्पत्ति पर अपना अधिकार जमा लेते हैं, इस व्यवस्था को निश्चित तौर पर ठीक करने की आवश्यकता है। जैसा कि यहां पर बताया गया है, 27 हजार करोड़ रु० में से मोनोपोली हाउसेज का केवल 150 करोड़ से भी कम इन्वेस्टमेंट है। इसके बाद भी अगर वे इतनी बड़ी रकम पर अपना अधिकार जमा लें और गवर्नमेंट कोई व्यवस्था न करें तो इसको दुर्भाग्यपूर्ण ही कहा जायगा। मैं माननीय वित्त मन्त्री जी का ध्यान इस ओर आकर्षित करना चाहता हूं कि जिस तरह से ये लोग पब्लिक मनी का दुरुपयोग करते हैं, जिस तरह से ये लोग फाइनेंसियल

इंस्टीट्यूशन्स से फायदा उठाते हैं उसको रोकना नितांत आवश्यक है। कई दफा फाइनेंसियल इंस्टीट्यूशन्स से ये लोग 85 परसेंट तक लोन के रूप में ले लेते हैं और उनका अपना या शेयरहोल्डर्स का 15 परसेंट इन्वेस्टमेंट ही रहता है। उस 85 परसेंट में से ये लोग गड़बड़ी करके पैसा निकाल लेते हैं और इस तरह से अपनी एक पाई भी इन्वेस्ट न करके करोड़ों रु० की सम्पत्ति पर अपना अधिकार कर लेते हैं। इस प्रकार की स्थिति को अवश्य रोका जाना चाहिए। वहां पर अधिकतर पैसा तो आपको फाइनेंसियल इंस्टीट्यूशन्स का ही रहता है—वह चाहे आई० डी० बी० आई का हो, दूसरे इंस्टीट्यूशन्स का हो या बैंक्स का हो। यहीं से ज्यादा से ज्यादा पैसा लेकर ये लोग कम्पनियां खड़ी करते हैं जिन पर भारत सरकार का कोई कंट्रोल नहीं है। उसके बाद उस पैसे को बर्बाद करके, उन यूनिट्स को सिक करके दूसरी यूनिट्स खड़ी कर लेते हैं और इस प्रकार काला धन पैदा करके सम्पन्न बनते हैं।

इस व्यवस्था को निश्चित तरीके से रोकने की बहुत बड़ी आवश्यकता है। मैं आपसे निवेदन करना चाहता हूं कि गांधी जी ने बड़े-बड़े मोनोपोलिस्टिक हाउसेस को कहा था कि अपने आपको मालिक मत समझो एक ट्रस्टी के रूप में काम करो। इस रूप में जाम कर के देश के उपयोग में लाओ, ताकि यह देश ज्यादा से ज्यादा आगे बढ़ सके। लेकिन उन्होंने इस पैसे को अपना पैसा समझकर और उसके मालिक बनकर उसका उपयोग कर रहे हैं। उस सम्बन्ध में किसी प्रकार का कोई कंट्रोल भारत सरकार नहीं कर रही है। इस बारे में अन्य माननीय सदस्यों ने भी कहा है। इसलिए आपको ऐसी व्यवस्था करनी चाहिए जिसमें मैनेजिंग डायरेक्टर या दूसरे प्रकार के लोगों को

[श्री गिरधारी लाल व्यास]

स्थापित करना चाहिए जिससे वे खुद कम्पनी को ठीक प्रकार के संचालित कर सकें। आज ये कम्पनियां इसका दुरुपयोग कर रही हैं। अपने घरों को ज्यादा से ज्यादा व्यवस्थित करनेमें लगी हैं। यदि इस व्यवस्था को ठीक प्रकार से संचालित कर लिया गया तो बहुत बड़ी सम्पत्ति हमारे देश की बढ़ सकती है। ये लोग खुले रूप में शोषण कर रहे हैं, जिस मर्जी फैक्ट्री को चाहते हैं, लॉक-आउट कर देते हैं, तालाबंदी कर देते हैं, लेकिन उनके ऊपर किसी प्रकार का कोई प्रावधान नहीं है। भारत सरकार ने कह दिया है कि कोई इन्स्टीट्यूशन सिक होगा हम उसको अपने हाथ में नहीं लेंगे। इससे इन पूंजीपतियों को और प्रोत्साहन मिल गया है। उन्होंने सोच लिया है कि भारत सरकार सिक यूनिट होने के बावजूद भी अपने हाथ में नहीं लेगी, तो उन के ऊपर क्या व्यवस्था निश्चित तरह की सरकार नहीं कर रही है। आपकी उस घोषणा से किस प्रकार का प्रभाव मानोपोलिस्टिक हाउसेस पर पड़ा है। उस प्रभाव को आज निश्चित तरीके से रोकने की आवश्यकता है।

इसी के साथ-साथ ये दो पोलिटिकल पार्टियां, भारतीय जनता पार्टी (व्यवधान)

असली बात तो यह है कि जिसके बारे में मैंने कहा ही नहीं। सी० पी० एम० पार्टी, ये खुद पूंजीपतियों से मिले हुए हैं। कलकत्ता में जाकर देखिए, जितने पूंजीपति हैं, ये सी० पी० एम० वाले उनको एजेंट्स के रूप में काम करते हैं। बराबर उनसे शेयर प्राप्त करते हैं। भारत सरकार के ऊपर जो भी बातें कही हैं, वे बिल्कुल गलत काम कर रहे हैं। ये पूंजीपतियों के एजेंट्स के रूप में काम कर रहे हैं। इसलिए इस प्रकार की व्यवस्था में इन लोगों का हाथ है।

इन शब्दों के साथ मैं अपनी बात समाप्त करता हूँ।

MR. DEPUTY-SPEAKER : Shri Bhogendra Jha.

SHRI BHOGENDRA JHA (Madhubani) : Mr. Deputy-Speaker, there is no time for elaboration on any point.

MR. DEPUTY-SPEAKER : Only clarifications.

SHRI BHOGENDRA JHA : I simply want to mention a few things.

MR. DEPUTY-SPEAKER : I have already announced that I will call the Minister at 8 O' clock.

PROF. N.G. RANGA : I have already told you that your announcement has got to be accepted by everybody. I could not accept it. Please excuse me.

MR. DEPUTY-SPEAKER : I have said that I will call the Minister at 8 O' clock.

(Interruptions)

MR. DEPUTY-SPEAKER : I have already said that. You will have to wait.

PROF. N.G. RANGA : Till 8' o'clock or 9 O' clock ? It is not possible.

SHRI BHOGENDRA JHA : Sir, this controversy between Swraj Paul and Caparo on the one side and Shri Bharat Ram and others on the other side has given an opportunity to this country and to this House to review the working of our financial institutions and improve them. It looks as if the thieves have fallen out and they are forcing it on both the sides. We are not interested in industrialisation of the country or in the national well-being, but, I am worried about the confusion set in Government Departments. I want to read out the reply given by the Finance Minister

in the Rajya Sabha and the Government's handout given to the press on 10th August :

"The Central Government has asked stock exchanges to advise companies not to refuse the transfer of shares lodged with them by non-resident Indians, reports UNI.

However, in exceptional circumstances, the companies can hold them back "when it is felt that the transferee is not a desirable person from the larger point of view of the interest of the company as a whole.

The stock exchange division of the Finance Ministry, in a communication to heads of stock exchanges, said recent moves by some companies to reject the transfer of shares has "negatived" the efforts to encourage non-resident investment in India."

So, there are three points. Has it been negatived? If so, that the Government has given up or is going to give up this plan. If it is not negatived, what are the implications of the above statement of the Government's spokesman? With regard to desirability, who is to decide? the companies whose shares will be purchased or the Government or the Finance Ministry or the Reserve Bank or the stock exchange or some political strings behind the scene, decide the desirability or otherwise of this? The Finance Minister has said that in order to attract foreign exchange this scheme was initiated. Many persons have said, yes. I would also like to emphasis without elaborating it that even now one condition can be attached that this can be limited to new ventures, new technology and to the field in which we are lacking and we need investment and not to the spheres where we do not require any outside help.

Another factor is that a limit has been put on the shares to be purchased. But he is not in a position to enquire into

the sources of the investors. There are legal hurdle also. In such a situation, if multi-nationals or giant foreign companies through some other names of non-resident Indians, fake names invest upto 5 per cent each and in this way get control of most of the industries in the country, what will happen to our economy? Where will we stand? What is the guarantee or *modus operandi* by which Government can protect the national industry?

Our private sector including MRTPL houses depend upon public financial institutions. They are squandering public money like anything. Is the Government going to implement the convertibility clause and acquire the possession of those companies in which it has got major investment? Or has it decided to put it in the cold storage? If the Government is very fond of some Bharat Rams and some Tatas, let them be made Managing Directors after nationalising TISCO, DCM and other giant monopoly concerns on the basis of the majority shares that the Government has got.

श्री हरीश कुमार गंगवार (पीलीभीत) : मान्यवर, देश की अर्थ-व्यवस्था इस सरकार से नहीं सम्भल सकती है, क्योंकि जो भी इन्वेस्टमेंट किया जाता है, 100 रुपये में से 70 रुपया खा लिया जाता है, 30 रुपये का काम होता है। अब जो यह 70 रुपया गया, वह ब्लैक-मनी हो गया और लोट-फेर कर उन्हीं कामों में लगाया जाता है और बड़ी-बड़ी कम्पनियाँ खड़ी की जाती हैं।

श्रीमन्, मैं आपका ज्यादा समय न लेकर केवल दो-तीन बातें आपसे पूछना चाहता हूँ। यह ठीक है कि आपने आई० एस० एफ० की शर्तों के हिसाब से बाहर से पैसा अपने यहां लगाने के लिए मंजूर करा लिया और मैं सिर्फ यह जानना चाहता हूँ कि जैसे वियेटर बॉन्ड्स का हथ्र हुआ था और उसमें आपको पूरी सफलता नहीं मिल पाई थी तो

[श्री हरीश कुमार गंगवार]

आप यह बताइए कि इस पौलिसी को रिलैप्स करने के बाद, कन्सेशन्स देने के बाद कुल कितना पैसा फारेन से आया हमारे यहां लगाने के लिए। सिर्फ स्वराज पाल का ही पैसा आया या और किसी का भी आया, इस बात को आप साफ कीजिए ?

दूसरी बात मैं यह जानना चाहता हूं कि यह जो फारेन से पैसा आएगा वह इंडियन आरीजिन का हो या दूसरे का या आप जानें लेकिन जो भी पैसा फारेन से आएगा, वह वेल-इस्टाब्लिश्ड फार्म्स में लगेगा या नये उद्योग-धन्धों में भी लगेगा ? जो हमारे यहां चलते हुए उद्योग हैं, वह एस्कोर्ट्स हो या डी० सी० एम०, मुझे कुछ लेना देना नहीं है, क्या कल को बिरला, टाटा और जो दूसरे अच्छे कन्सर्न चल रहे हैं, उनका मैनेजमेंट टेक-ओवर करने की कोई योजना आपने बना रखी है और उसको दूसरों के हाथों में देने की कोई बान है ?

तीसरी बात मैं सिर्फ यह जानना चाहता हूं कि यह जो कैमरों का आर्गनाइजेशन है, जिसमें 13 कम्पनियां हैं और जिनसे 2 पौंड से लेकर कई लाख रुपये तक का इन्वेस्टमेंट है, तो मैं ये जो 13 करोड़ रुपये के शेयर लिए हैं, उस वक्त उन 13 कम्पनियों की जमा पूंजी क्या थी और क्या उनकी हैसियत थी ?

आपने राज्य सभा में कहा है कि इन सब चीजों की जांच हो रही है। मैं जानना चाहता हूं कि अब तक उसका क्या नतीजा निकला है और क्या इसमें कोई बगलिग हुई है, कोई गड़बड़ी हुई है और रिजर्व बैंक आफ इण्डिया के जो नियम हैं, उनका उल्लंघन हुआ है, विदेशी मुद्रा अधिनियमों का कोई

उल्लंघन हुआ है। कितना पैसा उन्होंने लगाया है और कितना लगाना चाहिए था। इसके बारे में जो राय आपने रिजर्व बैंक आफ इण्डिया से मांगी या विधि मंत्रालय से मांगी, वह राय क्या है, यह बताने का आप कष्ट करेंगे।

मैं अपने इन प्रश्नों का उत्तर चाहता हूं।

SHRI K.P. UNNIKRISHNAN : It would be unfortunate, if Parliament were to treat the question of non-resident investments in the same manner...

SHRI C.M. STEPHEN : Sir, you cannot treat the House like this. Sir, you made a very solemn declaration and you should stick to that. I do not agree to this all. You gave a solemn commitment to the House. Please listen to me. I do not agree to it at all. I am on a point of order. You cannot change this without the concurrence of the entire House. You gave a commitment to the House.....

(Interruptions)

SHRI ATAL BIHARI VAJPAYEE : You call the Minister of Parliamentary Affairs. There should be some agreement. You cannot treat the House like this.....

(Interruptions)

SHRI C.M. STEPHEN : I am a member of this House... (Interruptions) I move for closure. I am not prepared for it. The Minister of Parliamentary Affairs is not required for this.

PROF. MADHU DANDAVATE : We are almost sticking to the time. Only two speakers are there.

SHRI C.M. STEPHEN : Let me have my say. On a point of order I am rising. Let me have my say. For me to raise a point of order no Parliamentary Affairs Minister is necessary. I am on a point of order. You gave a definite commitment to the House that at 8 O'clock the Minister would be called. Subsequently, when he was called, then also you repeated

the commitment that at Eight O'clock the Minister would be called. What I object to is, if you want to change the time, there is a method of doing it. When you called Mr. Unnikrishnan, it was 8.05. If the time has got to be extended, the concurrence of the House has got to be obtained. Calling one by one—it cannot be done. *(Interruptions)*. I said, I have got a right to say that the Minister must be called at Eight O'clock. I am here interested to hear the Minister. I take it that the Minister will be called.

MR. DEPUTY-SPEAKER : I uphold your point of order. You said this, and you are right. It is a fact that I have already announced. *(Interruptions)*

MR. DEPUTY-SPEAKER : What Mr. Stephen said was that I must take the permission of the House. Definitely I have failed to do it. Therefore, now I take the sense of the House. I had already announced that the Minister would reply at 8.00 p.m. and Mr. Stephen has raised a point of order. There are only two speakers for the information of the House. As the Presiding Officer I have got to put it straight. Therefore, I would say, there are only two speakers whom I have requested not to take more than 3 to 5 minutes each, that means about 10 minutes. After that the Minister is going to reply.

SHRI C.M. STEPHEN : It is now 8.10 p.m. When are you going to call the Minister ?

(Interruptions)

MR. DEPUTY-SPEAKER : I will call the Minister after these two speakers to whom I am giving only 10 minutes. Therefore, I will be calling the Minister at 8.20 p.m.

Now, Mr. Unnikrishnan may speak. Mr. Unnikrishnan, you kindly take only five minutes.

SHRI K.P. UNNIKRISHNAN : I Will take about ten minutes.

MR. DEPUTY-SPEAKER : I do not want to deprive any hon. Member from participating in this discussion. Hence my request to Mr. Stephen also.

PROF. MADHU DANDAVATE : Mr. Stephen, there is a telephone for you.

MR. DEPUTY-SPEAKER : May be a wrong number.

AN HON. MEMBER : He has given up the telephone.

(Interruptions)

SHRI K.P. UNNIKRISHNAN : Sir, it would be unfortunate if the Parliament were to treat this important question of non-resident investment in the same sensational manner that the mass media has focussed attention over it, as a kind of tycoon war. It is as though a kind of Mohammad Ali had descended on the reign in the person of Mr. Swaraj Paul and I should say, I rather envy him for the kind of media coverage that he has cornered for himself. Even persons who have been in public life including Mr. C.M. Stephen and Prof. N.G. Ranga, have not been able to get the kind of coverage that Swaraj Paul has managed during the last six months.

Sir, let us leave Mohammed Ali to the corporate world aside. The most important thing that the Parliament should concern itself on this question is the implications of the new policy of investment and also investment decisions of the public financial institutions and also the question of family managements. These are closely related questions to the whole question of the objectives of our national economy, and I know, in spite of the professed objectives of socialism which has almost disappeared from the political lexicon of the Ruling Party under the grip of successive dynastic messiahs, it has even moved away from the concept of a mixed economy. And if so, what we are witnessing to-day is a deliberate dismantling of the regulatory framework that we have been building over the years. Certain implications follow. But the question now before us whether you follow even the

[Shri K. P. Unnikrishnan]

rules of this game. It is not only the question before the Government, it is the question before the whole country as well as the question before the so-called big houses. In the capitalist framework with its pretensions of free democratic norms, stock exchange is an essential ingredient. One of the former Finance Ministers Shri T.T. Krishnamachari threatened to close down the stock exchanges. There was furore in the country. The captains of the industries said that heads would roll. But in the Indian context and the developmental goal that we have had, these stock exchanges remain speculative instrument. They have not been able to gather capital. They have not been able to do anything constructive in the whole economy. But these gentlemen continuously talk either of FICCI or of ASSOCHAM of activating the stock market. I do not know what they mean by activating this stock market. They essentially mean attracting further investment. But what I want to say is, what the record of the stock exchanges four or five, that we have in the country for attracting investment for the corporate sector.

Now a question has been raised by some people about destabilisation. The hon. Member from Amethi has been speaking from the house-tops about the dangers involved. Danger to whom? So, stability is being threatened. What kind of stability is it? Is it the stability of the graveyard that we see in the corporate world? In a wider democratic set-up we set up we have regular elections when people get in and get out. That I suppose is not destabilisation. Similarly, exponents of free economy have been claiming that they have the final weapon of Annual General Meeting and they say it is superior to socialism. It is superior to communism. It is a kind of instrument we have posed. But what happens if the shareholder is not allowed to express his views. This is very important question. If the shares themselves are not registered as is being threatened of, whether it belongs to KAPARO or XYZ is a different question. Shri Somnath Chatterjee referred to it if that is so, we

have a right to know why it is not being registered. We have also right to know the source of funds for investment. Who are these people coming in and under what guise, we have to know? The private sector in this country wants the Government to intervene, for what. To protect themselves and essentially not to protect the private sector or not for the aims and objects of the economy, but to preserve their own family managements.

Now the question is, what is the value of share if it ceases to be a negotiable instrument? It is a very important question which strikes at the very root of the kind of system that we have. I do not subscribe to that system. I am opposed totally to the system. But if you have the system, then the question has to be answered—what is the value of the share if it ceases to be a negotiable instrument and also related with whose money they are running the business—whether it is ESCORTS or Apeejee or any of these groups? But I want to invite your kind attention to certain things—in the Kohinoor Mills of Kapadias, with assets of 15.82 crores, 71.68% are held by the public financial institutions. The hon. Finance Minister knows what happened some time ago and how they preferred the Kapadia management. In KIRLOSKAR with assets of Rs. 28.26 crores, 60.42% of equity are held by public financial institutions. In Bombay Suburban Electric Supply, with assets of Rs. 108 crores, 66.4% are held by the public financial institutions not to speak of Escorts. Sir, in terms of equity multiple index, that is the amount invested against the assets cornered, it is 45 with Birlas group, 47 with Tatas, 65 with DCM and 102 with Escorts. Whose money they are building up? An answer has to come forward from the Minister.

Sir, now Shri George Fernandes is not here today. He raised the question. That was the trouble with the Janata Government that they had raised many good questions but did not answer them. It is the question of family management. What is the attitude of the present Government to the family management?

It is a matter of fundamental consequence for the entire policy.

Similarly, I want an answer from the Finance Minister that under Section 619-B of the Companies Act, when the President of India holds more than 51% shares, they become "deemed Government companies" where the C&AG audit can be done. Now, I would like to know what is the attitude of the Government. What is the policy being followed on the question of public financial institutions towards these "deemed public or Government companies?"

Sir, as early as 1968 the Dutt Committee reported 29 large houses have between 50 to 90% assistance with options to convert. Sir, it was a question and it is exactly what is being opposed today. It is, convertibility clause in the name of opposing non-resident involvement.

I am not interested in choosing between Rams or Pauls or Nandas and just naming them. It is a kind of shadow boxing that is going on. But it is equally important if a policy instrument is to thought of and be framed. If I have to choose between going and begging before the imperialist instruments like IMF and non-resident investments, I would rather attract non-resident investments than going and begging before IDA World Bank and commercial borrowing from the West in preference. But the trouble is they are doing both. There are about 10 millions of non-resident Indians abroad. Even if they are to remit thousand dollars each a year, it would come to a fabulous amount of 10 billion dollars. That is 20-time as much as the IMF loan.

Now, Sir, from our State, Kerala, nearly quarter millions of people have gone abroad to the Gulf countries as carpenters, masons, coolies, apart from machanics, technicians and various kinds of people. I regret to say, what is the treatment this Government has given to them. What is the kind of reception they get in the airports and in the customs? Is it the kind of reception that

is given to Swraj Paul and others? Those who have brought in Rs. 50 crores and 50 crores have created a kind of complete upheaval in the economy and in the mass-media. It only underlines the kind of close link ..

MR. DEPUTY SPEAKER : You please conclude. Shri Chitta Basu is waiting here. Otherwise, I will be in trouble.

SHRI K.P. UNNIKRISHNAN : You will not be in trouble. I am just concluding.

MR. DEPUTY SPEAKER : Then, Shri Chitta Basu cannot speak.

SHRI K.P. UNNIKRISHNAN : There is an inherent danger that Prof. Dandavate has pointed. This relates to the kind of laundering of black money by using this non-resident investment provision. Similarly, there is a danger in the definition - definition of the non-resident Indian and people of Indian origin in the Finance Act. Similarly, there has been no concomitant changes in the FERA. If after the Finance Act, changes in the FERA and with the proper amendments also in the Exchange Control Manual have been made, this difficulty would not have arisen. So, primarily, these questions will have to be considered and understood in this context.

I conclude by posing a question to the Finance Minister. There have been reports appearing, prominently displayed in a section of the press, that the Reserve Bank Governor, Dr. Manmohan Singh has resigned due to policy differences with the Finance Ministry on this question. The House is entitled to know and, I hope, he will take the House into confidence as to what are the differences, if any, between the Governor of the Reserve Bank and the Minister of Finance and the Ministry of Finance.

MR. DEPUTY SPEAKER : What has it got to do here?

SHRI K.P. UNNIKRISHNAN : It is better I sit down.

MR. DEPUTY SPEAKER : The Finance Minister to reply.

SHRI CHITTA BASU (Barasat) : You will not allow me Sir ?

MR. DEPUTY SPEAKER : He has not helped you. I cannot oblige. The Finance Minister has to reply. I have already called the Finance Minister.

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : Mr. Deputy-Speaker, sir as regards the subject for discussion on which a number of hon. Members have participated, first of all, I would like to express my disappointment in the sense that I expected that some new points will be thrown because this discussion took place in the Rajya Sabha during the early part of the session and I reply to the points made there and, unfortunately, the same points have been raised here almost in identical language. I think, some sort of better coordination between the two Houses could save the time of the House.

SHRI SOMNATH CHATTERJEE : Joint session.

SHRI PRANAB MUKHERJEE : First of all, I would like to explain instead of going into the question of persons and individualities, what was the object of the scheme and whether, as a result of certain developments, the scheme is going to be affected or not. The scheme was first introduced in the Budget of 1982. The scope of portfolio investment was opened to the non-residents in the Budget of 1982. A circular was issued by the Reserve Bank of India on 14th April, 1982. What was done in 1983 is the question to be kept in mind because still many an hon. Member, including the learned hon. Member like Prof. Dandavate has misgivings and he even went to the extent of bringing a privilege motion against me that I have divulged Budget secrets to a

person to help him to invest in a particular way.

What were concessions and what were the additionalities announced in the Budget of 1983-84 ? Certain tax concessions were announced, apart from the flat rate of 20 per cent plus surcharge for individuals and, apart from that, there were concessions in wealth-tax and estate duty. These are the exemptions from tax which were permitted in the Budget of 1983-84. Now, Prof. Dandavate's conclusion is that these concessions are eligible even to the corporate bodies and he has depended on the text of my speech at the time of presentation of Budget. If he could have range me up, I could have supplied him a copy of the Finance Act which is the legal document and he could have checked up the definition of "non-resident". There also I have used the same words. But the definition is not given in the speech ; the definition is given in the Act itself. Even now, I can refer p. 25 of the Finance Act to him and I made it abundantly clear. The memo which was given to him indicated that corporate bodies are not entitled to these concessions. Individuals are entitled to these concessions. If these concessions are not entitled to the corporate bodies, how can you come to the conclusion that the corporate bodies took investment decision after knowing the Budget ? On 28th February the Budget was announced. Investment started taking place. The first communication came sometime on 4th March and after 28th April, the share purchases and other things were made. They are not entitled to have the concessions. Mr. Somnath Chatterjee dwelt on it. Mr. Satish Agarwal also dwelt on it that there should be investment decision because of certain concessions. What prompted them to take investment decision, it is for them to decide. It is for them to explain. I am not in a position to explain.

PROF. MADHU DANDAVATE : What is your assessment. ?

SHRI PRANAB MUKHERJEE : There is no question of assessment. I can just

give the fact. The fact is that they are not entitled to tax concession and if they are not to have concession, then you cannot claim that the concessions announced in the Budget prompted them to take the investment decision. This is a simple point I am making.

So far as the scope of investment is concerned, it is known on 14th April, 1982. Therefore, if they take the decision on 14th April when they came to know that they are entitled to have portfolio investment and take the investment decision after 10 or 11 months, there is nothing unusual. What is unusual is that you try to point out that you announced concessions on 28th February, 83. These people took the investment decisions in March and April. But that point does not stand the test of scrutiny and factually it is not correct.

Secondly, Mr. Somnath Chatterjee has pointed out that these companies are of Caparo group and that there are only two applications from them. Even he has not taken the trouble of listening to Mr. Ram Vilas Paswan. In his speech he has quoted. For your information, this information is on record. That is why I am saying that even if you have taken the trouble of going through the proceedings of Rajya Sabha, you could get all these points. As many as 114 applications were received up to 30th January.

PROF. MADHU DANDAVATE : According to rules, we cannot take cognizance of the other House.

SHRI SOMNATH CHATTERJEE : Once a matter is discussed in one House, is not to be discussed in the other house.

SHRI PRANAB MUKHERJEE : Senior Members like you should take the trouble and bring new points. That is the only point. It is all right.

SHRI UNNIKRISHNAN : Gordon

Woodroffe of Madras has already been taken over by non-residents.

SHRI PRANAB MUKHERJEE : As many as 114 applications were received up to 30th June, 83 and Mr. Somnath Chatterjee wanted to know what is the area of investment we have got. What is the idea of the scheme? It is to attract foreign exchange and it is not merely the portfolio investment. We are encouraging them to invest in new areas, areas of new technology, new companies, new series of the existing companies and also existing equity shares. Why are we doing so? I made it abundantly clear at the time of Budget and at the time of replying to the Finance Bill that I would give him wide option to invest because I require money. He has wider scope of investment. When he is staying abroad, he can invest and take the investment decision in India only if he finds that investment decision in India is attractive to him. Forget about patriotism and other things. These are the monopoly of ours. But as a prospective investor, you will be guided by profit motive and simply you cannot put him in a straight jacket. If you want money from them, you will have to earmark the areas, where it can be invested. At the same time, we shall have to take care of certain things and protect the interests where there is no speculative bid. You are repeating almost the same thing. What assurance Government can give, except what we have already given. We would not permit this speculative takeover because the institutions have a commanding position. Mr. Ram Vilas Paswan had come to the conclusion that Government is in collusion with Mr. Swaraj Paul. Why should I be in collusion with anybody or, for that matter, even with you? When I have 54% of the shares, if I want to take over, I need not be in collusion with anybody. Simply, I can take it over because I command the share. Therefore, if I want to take over, there is no question of having any collusion.

While making references, I am really a little shocked, that in a serious debate like this, the hon. Member did not ever take the trouble—he said that the Prime

[Shri Pranab Mukhrjee]

Minister's Secretariat issued a press report—of seeing the contradictions being issued in the same paper by that office. An impression is being created that the Prime Minister's Secretariat issued a certain news item. But, when the contradiction comes, you do not take cognisance of it. Then, am I to come to the conclusion that you have to read newspapers only of one day and you do not read the newspapers of next day? Particularly, in a situation like this, when a news item is quoting the Prime Minister's Secretariat's expressing its displeasure with the Governor of the Reserve Bank of India, you do not take the trouble of finding out the truth. You simply want to make a political point out of it. If you feel that any stick is better to beat the Government with, it is for you to come to the conclusion. There is a news item in regard to the appointment of a Deputy Governor. I have the Telex with me that the Deputy Governor of the Reserve Bank of India has congratulated the appointment of Shri Kaul. He is also Chairman of NABARD. I was told in Calcutta by the press that the Deputy Governor of the Reserve Bank of India, Shri Kaul, when he was to enter into that office, was prevented. I told the press people that I did not know. He was my Additional Secretary. Still he is the Additional Secretary of the Banking Department. I shall have to release him to take over that new office. I do not know when I have released. You all know that I have to release him. But it is said that he has gone to enter into that new office, some persons had prevented him from entering into that office. Can these things be discussed in the house without just looking into whether there is an iota of truth or not? This is a simple thing to which I want to draw the attention of the hon. Members. Shri Chatterjee also wanted to know what has been the investment apart from the applications received. As I mentioned to you, we have increased the interest rates in the non-resident external account both in the rupee account as well as in the foreign currency account. And we are getting money.

What has been the result of these schemes? One can understand that I announced this schemes on the last day of February. After that if you just take the total aggregate since the beginning of the scheme, the amount at the end of February stood at Rs. 1,744 crores and, before that, that is, at the end of January 1983, it was Rs. 1,685 crores. So, from there, it increased to Rs. 1,744 crores. I am not taking into account the point figure. Otherwise, 489 or so is there. I am taking only the round figure. From January to February it is just Rs. 59 crores. When this new scheme was announced with the interest rate, tax exemption etc.—the interest rate was announced earlier also and, as a matter of fact, it started from 1982 onwards—this also had a big jump from Rs. 1,744 crore it had increased within one month to Rs. 1,886 crores. From March to April, the latest figure, which I have, shows that as Rs. 1,960 crores. So, above Rs. 100 crores we are getting every month. Therefore, it is not correct to say that the scheme has been formulated just to facilitate one or two individuals to invest in one or two companies and to create destabilisation. So far as this is concerned and so far Government policy is concerned, I made it quite clear that here, the Government or the institution is to be treated as a shareholder. As a shareholder, if I have the confidence in this management of a company, I will support him. If I do not have the confidence, in him, I shall not support him. So, it is not that the institution did not intervene earlier. Many hon. Members will recall that there was a speculative bid to take over the IISCO. When it was in a private sector, some industrialists wanted to take over the IISCO. Institutions like LIC, which were quite important institutions at that time, intervened and prevented it. Therefore, it is not correct. Prof. Dandavate said that we will utilise the institutions to blackmail the organisation or blackmail the assistance units. Where is the question of blackmailing? These institutions have a role to play. These institutions have not come up suddenly today. There is no question of black-

mailing.

You could say, as has been said from this side, that the institutions are not playing a more effective role and the institutions have gone with the management—that is the complaint we were expecting—but you have gone to the other extent and said that at some point of time the institutions will be utilised to blackmail the company to follow a particular course of action. There is no question of blackmailing.

Sir another question has been raised as to why we did away with 1 lakh of rupees or 1 per cent whichever was less. Hon. Members know the whole history of this scheme. This scheme was first suggested by the Association of non-resident Indians. Thereafter, I appointed a committee under the Chairmanship of Mr. Malhotra, the then additional Secretary Economic Affairs to look into it. This committee made a service of recommendations and I accepted the entire body of the recommendations and I incorporated it in the budget proposals of 1982-83. Sir, thereafter I got representation that you do not put this 1 lakh and you keep 1 per cent. There is no confusion between 1 per cent and 5 per cent. Some hon. Members have mis-understood it and there is a misingiving. Now 1 per cent is so far as one individual is concerned. If 20 individuals wanted to invest they can invest upto 20 per cent of the paid up capital. What I have done is that I have put 5 per cent aggregate ceiling and restricted it to only 5 persons at the rate of 1 per cent they can invest in one company. So, by putting aggregate ceiling of 5 per cent I have further restricted the scope of non-residents investment in one company. Before 5 per cent ceiling was put the situation was that if 20 non-resident Indians wanted to invest at the rate of 1 per cent the total investment in that company could have gone upto 20 percent in aggregate. Now, it cannot go beyond 5 per cent. The principle of first come first served would be applicable here. Therefore, I have not widened the scope. Rather I have

restricted the scope of investment by putting the aggregate ceiling of 5 per cent.

Another issue has been raised—why can't we restrict the investment of the non-residents in the new areas and new companies. As I mentioned even in the matter of interest rate hon. members will appreciate how fluctuations have taken place in the international world. As one point of time their interest rate was more effective and I increased here the interest rate. Then I found their interest rate were lower and now again there is an upward trend. So, you cannot switch on and switch off your policy too often.

Sir, if Parliament decides that we do not want investment from non-residents and we do not want money, that is a completely different preposition but when Parliament approves the proposal that we want investment from abroad then you cannot restrict it to the limited area. So far as take-over bid is concerned, I have made it abundantly clear but I am not here to give the assurance that individuals will rule the companies for generations. They must have the confidence of their shareholders and if they have that confidence definitely there would be no problem and so far as the speculative bid is concerned, institutions will not support the speculative bid and that position I have made clear on earlier occasions also.

PROF. MADHU DANDAVATE :
What about the condition for 60% equity ?

SHRI PRANAB MUKHERJEE : Prof. Dandavate referred to certain cases. He asked, what is the condition. The condition is this. The organisation may be a trust, it may be a company, it may be an association, it may be a corporate body it must be owned by non-resident individual to the extent of 60% of it. The word which we have used in the circular is 'Predominantly owned by the non-resident'. And what is the criterion for determining predominant ownership ?

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The ownership must be to the extent of 60%, as I pointed out. It is the responsibility of the Reserve Bank to see whether in each case the ownership is 60% or not. Wherever the permission has been given, it is there. Wherever the permission has not been given or withheld, those are being examined. But wherever the permission has been given the first eligibility criteria is that they must be owned predominantly by the non-resident and predominant ownership cannot be less than 60%. Therefore in each case that has been examined on the basis of that approval is given.

PROF. MADHU DANDAVATE :
Are they satisfied with the conditions of 60% ?

SHRI PRANAB MUKHERJEE :
Wherever permission is given, in each and every case they will have to see. You will have to see whether the applicant is eligible to invest. That is the first criteria. So, you have to find out the eligibility of the applicant. You will have to find out whether he is a non-resident, whether the company is owned by non-resident to the extent of 60%. He has to supply the form. He has to appear before the Auditors. And on the basis of that, decision will be taken.

Now, another question is this. I think hon. Members have a little misunderstanding. When I said in the other House that I am not going to question the source of investment, in the context in which I mentioned it, it is relevant, so far as this source is concerned. I am not going to look to the source of investment. (An hon. Member : Why ?) About 'Why', I am coming to it. If I want to look into the source, nobody is coming to invest. But I have a law. I have the Foreign Exchange Regulation Act. I have the COFEPOSA. The Directorate of Enforcement is there. Simply you are saying that money is going from here, money is being laundered, and so on. But it is your conclusion. If you have evidence, you give it to me. If

you are convinced about it, then, why don't you pass on the information to me ?

PROF. MADHU DANDAVATE :
If you have any evidence to the contrary, you can tell us.

SHRI PRANAB MUKHERJEE : Why should I ? I have got the machinery to check, long before the establishment of the scheme, to tackle the foreign exchange racketeering and to tackle black money. All those Acts are there in operation.

SHRI SOMNATH CHATTERJEE :
You have no machinery to check whether the money that has been brought here has been illegally acquired in a foreign country. You have no machinery for that. This Foreign Exchange Regulation Act will not apply to the acquisition of funds in a foreign country.

SHRI PRANAB MUKHERJEE : I have got your point. While replying to your amendment on the Finance Bill I referred to this. Is the non-resident subject to my Municipal law ? If I want to investigate into the sources of his income he will not come. He will say, 'Thank you ; I am not interested in any investment in your country.' Earlier somebody said, money is going out, there is under-invoicing and over-invoicing etc. To tackle black money ; as I pointed out, there is the existing machinery, there are exchange laws.

PROF. MADHU DANDAVATE :
Those companies do not observe all these things and obviously the investments are not legal.

SHRI PRANAB MUKHERJEE : I am not going to be guided by your advice because I know it. With a very small capital base.

Many companies have expanded and they have expanded honestly. Therefore, by looking into the original capital base,

don't rush to the conclusion. I have not mentioned the name of the associations. How are they coming? Whether they are coming through loans, how am I interested in? My limited question is: why are you interested in my asking him to invest here, in my asking him "if you invest, you are entitled to have this concession and this will be your area of investment?" If I don't want his investment, I will tell him I don't want him to invest. But why should be subject himself to this scrutiny? He is giving me money and he is not taking money from me.

SHRI SOMNATH CHATTERJEE : Therefore you have said that you are not concerned with the sources.

SHRI PRANAB MUKHERJEE : So far as this thing is concerned, if I have the information, it is no use of saying... if you have the evidence give it to me. *(Interruptions)* This is an area where I am saying that except politicalising the whole thing, there is no other case. You have no other case except politicalising it. If you have the evidence that this is black-money, the safer course would be to say that this is my evidence and I am passing it on to you and you have the machinery and you investigate it. You have read out by quoting some questions in Parliament in 1968-69 conveniently forgetting that many of these people were in Government at that time, you shared power with them including the then Congress men. Yes, it was in 1968-69. The then Cabinet Minister, the Congress President whom you referred to in 1967-1968 and 1969 none of them are sitting here today. Most of them set with you between 1977 and 1978. So, let us not go into that aspect.

SHRI SATISH AGARWAL : Whether Mr. Desai was the Finance Minister or anybody else was the Finance Minister, that does not make any difference. That does not matter. Why are you saying so? *(Interruptions)*.

SHRI PRANAB MUKHERJEE : The limited case to which you referred is still going on. It is known to everybody. That still case is going on. That is known to everybody. That steel matter has been from the days of 1960. So, it is not that Apeejay is not an industry. If Apeejay is an investor in this country, why are you not interested in it? If they want to look at the history of the Indian corporate sector, I know the reason and there I agree with that. Some hon. Members may say that these are the two sides of the same coin. Therefore, let us not try to make distinction between who is good and who is bad. But unfortunately the way you are projecting the case, I am pretty sure that the case which you are reading...*(Interruptions)* I am not yielding.

Two more points that I would like to clarify are that Mr. Satish Agarwal has referred about my difference of opinion with the Governor of the Reserve Bank of India. This is absolutely fantastic non-sense. *(Interruptions)*.

SHRI SOMNATH CHATTERJEE : That is unparliamentary.

SHRI PRANAB MUKHERJEE : I am not talking about anybody's as non-sense. But I am talking about the newspaper report as non-sense. I am saying that it is totally baseless.

SHRI SOMNATH CHATTERJEE : Senseless.

SHRI PRANAB MUKHERJEE : I agree that it is totally senseless. I consider him that he is one of the topmost economists in this country and it is not for the first time that I am working with him. Even earlier when he was the Chief Economic Adviser, he worked with me. Neither he nor I knew that there was any difference between him and me. We had to know it from 'The Tribune' that there was difference of opinion and even they went to the extent of telling that he had desired his resignation. He

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came to discuss with me certain issues not merely non-residents because we had to discuss so many issues like CRR issues, banking expansion. etc. Shri Somnath Chatterjee went to the extent that IMF's conditionality is to encourage the foreign investment. I think, now you should stop talking of IMF. I will tell you why I am saying this. The document which your Party secretariat has brought out for fighting against the Central injustice contains one of the important demands, which you are now raising, that you must get the share of international Institutions all money coming through the international Institutions including IMF should be proportionately shared between the Centre and the State. *(Interruptions).*

SHRI SOMNATH CHATTERJEE : He should not try to give that impression occupying that position. What he said was : that you are bringing in money, using it and monopolising ; you have no control over IMF.....

SHRI PRANAB MUKHERJEE : You have contradicted yourself. I am fully justified what I am saying, because even the beginning has a beginning.

PROF. MADHU DANDAVATE : It is like saying : Do not drink, but if you drink, share with us.

SHRI PRANAB MUKHERJEE : Exactly. For the information of the House, I would like to tell how the radical concept of the Marxists changes so frequently. Let us go back to the days of 1969. IMF money was so black, tainted that they decided that the world Bank President. McNamara would not be allowed to visit Calcutta. Money was so black, that apart from not to talk of touching his money, he should not be allowed to visit Calcutta. We had some protest for that. But today money is no longer black, money is white. The only point is that I should give them the larger share. Whether I would give them the larger share or not is a matter to considered.

SHRI SOMNATH CHATTERJEE : In spite of our protests, you have borrowed and equandered away the money.

SHRI PRANAB MUKHERJEE : And now you want to share that money. Apart from drinking, he is also asking to go and commit a dacoity. Only, the share of dacoity should be shared with him.

MR. DEPUTY-SPEAKER ; It was money in black, it, would have turned red now...*(Interruption).*

SHRI SOMNATH CHATTERJEE : You abuse us, but give us money.

SHRI PRANAB MUKHERJEE : You know, how much I have given you. Shri Bhogendra Jha has referred to the circular issued for the stock exchanges. One point is that there is instability in the stock exchange. It is not merely that these two companies have refused to transfer shares, certain other cases have come to our notice where they have refused to transfer shares. And I am told, it is not merely confined to 'non-residents' investments, it is so in the case of residents also. After all, if some sort of uncertainty continues ; Government will have to intervene at some point of time. And the share market does sometimes indulge in all sorts of speculations. In the past also, we had to intervene and recently also, that circular was issued to clarify the position that normally the companies should not refuse to transfer the shares. Even in 1971 there was a court case in the Supreme Court, Bajaj Vs Ferodia. There it was pointed out that refusal to transfer the shares should be backed by reason. In regard to this particular case, as I mentioned on the floor of the other House, we are considering the various legal implications. Definitely we have received the opinion of the Attorney-General.

PROF. MADHU DANDAVATE : Of the previous one and the new one or both ?

SHRI PRANAB MUKHERJEE : I don't know,, previous or new.

PROF. MADHU DANDAVATE : Because Swaraj has said that he received the advice in his favour, the new Attorney-General was supposed to give advice against him. That is why I am asking.

SHRI PRANAB MUKHERJEE : At the point of time when I got the advice of the Attorney-General, so far as I remember, the Attorney-General at that time was Mr. Lal Narain Sinha. And the man who was the Attorney General at that time and when I got his opinion that opinion is the opinion of the Attorney-General, at that time. Therefore, I have received the opinion of the Attorney-General. I am not talking of the ex Attorney General, when I received the opinion, when I referred the matter to the Attorney-General, who was the Attorney-General at that point of time, he gave the opinion and I got the opinion.

SHRI SOMNATH CHATTERJEE : Did he lose his job for that ?

SHRI PRANAB MUKHERJEE : I don't know, because you know his term was for three years and he completed his term.

SHRI SOMNATH CHATTERJEE : What is the opinion ?

SHRI PRANAB MUKHERJEE : I cannot discuss the details of the opinion, because still we are examining the implications of it, because this is legal point. Somebody has suggested whether these thirteen companies would be treated as one company, one block ? Perhaps Mr. Chatterjee, who is a lawyer, may be knowing that there is the concept of 'piercing the veil'. If horizontally one, two three, four, five companies can invest one per cent and if one company pierce the Corporate veil, it is the pierce the veil concept. But we have not come

to the conclusion because it is a matter where the Law Ministry will have to give us the opinion. Here we will be guided By the opinion of the Law Ministry. After getting the opinion of the Law Ministry, the Reserve Bank will also have to be consulted. Th's decision is to be taken after looking into all legal aspects and legal implications of it and I would not like to commit myself either way by passing any judgment on it, because I am not competent to interpret the rules of the legal positions.

PROF. MADHU DANDAVATE : In one word tell us whether he was justified that or he was opposed to it ?

SHRI PRANAB MUKHERJEE : I am sorry. Mr. Chatterjee will bear me out, you cannot interpret it legally so affirmatively either this side or that side. And what lawyers cannot do, probably I cannot venture to do that.

SHRI SOMNATH CHATTERJEE : You do only lawless things.

SHRI PRANAB MUKHERJEE : You are doing lawless things and I am only trying to rectify it.

MR. DEPUTY-SPEAKER : Mr. Chatterjee, I will go through the records and see whether lawless things can be discussed.

श्री राम विलास पासवान : रिजर्व बैंक से परमीशन ली थी या नह ?

SHRI PRANAB MUKHERJEE : Sir, the Hon. Member does not understand the scheme at all. After the Reserve Bank gives the permission, then only the transaction becomes eligible. That whole exercise is going on.

श्री राम विलास पासवान : इस में जो मैंने पढ़कर सुनाया है, अप्रैल 1982 से 2 मई, 1983 में जो इन्वेस्टमेंट हुआ है उसमें ग्रुप के बारे में कुछ नहीं कहा ।

SHRI PRANAB MUKHERJEE : That is why it is not there, because decision has not been taken. What has been approved, we have given that in the list. But which cannot be approved and if we give, then you will yourself catch me. You will say the Reserve Bank has not permitted it. You will show that in Parliament Question my having said that permission has not been granted. How can I do it? That is why, in order to avoid that, we have not given. The list which I have given you, there the decision has been taken i.e. the Reserve Bank has given the permission.

SHRI K.P. UNNIKRIISHNAN : The attitude of the deemed companies.

SHRI PRANAB MUKHERJEE : Here, Sir, I would like to point out not merely with reference to the queries made that in deemed companies where we are having 51% share, whether we can have total shares also? Not only that, I do feel that the institution should play a more positive role in the units in which they are assisting. And particularly the role of the Nominee Directors require

21.00 hrs.

much improvement. On a number of occasions on the floor of this House and the other House, mention has been made that they should be more alert and active, and should look into all these aspects. One Member has said that we are going to dilute the convertibility clause. Perhaps he has forgotten the day when FICCI people met me and suggested that we should do away with that clause.....

PROF. MADHU DANDAVATE : On the contrary, we are opposing the FICCI's point of view.

SHRI PRANAB MUKHERJEE : I told them that the convertibility clause was provided after a good deal of deliberations; and the complaint was that it was not being properly utilized. I am going to appoint a committee, and I have

actually appointed a committee under the chairmanship of the former Secretary (Economic Affairs), Mr Narasimham, and that committee will look into it. *(Interruption).*

SHRI SUNIL MAITRA : Is it not a fact that the Government of India had issued instructions, not now but 10, 12 or 15 years back, asking the institution-appointed nominees in the board of directors not to act, not to interfere in the administration...I am referring to LIC. Please check up your records.

SHRI PRANAB MUKHERJEE : I am not aware of such a thing, viz. whether 15 years ago any such circular was issued. But one point I still remember about the time when I was piloting the IDBI Bill. In the Joint Select Committee at that time—I think it was in 1974-75; those who were members in it would remember—we rather revised the guidelines. But still it was thought that it was not adequate. That is why I have appointed this committee to look into it, and to make recommendations to me as to what appropriate measures should be taken.

SHRI CHANDRAJIT YADAV : I want just to seek two clarifications. Firstly, what is the assessment of the Minister, in view of the refusal by Es-corts and DCM of registration of the shares purchased by Capro Group? Does the Minister feel that this refusal will adversely affect the further investment of non-resident Indians in view of this refusal? Is the Minister going to take steps to clarify this, so that there may not be any confusion, for future investment by non-residents? Otherwise, your non-residents scheme will become useless and ineffective?

Secondly, in view of this Swraj Paul vs all other Indian industrialists—so many allegations and counter-allegations have been made—is the Minister going to appoint a high-power committee to see that the corporate sector in India functions within the framework of the objective

which we have decided, so that they may not misuse because of their malfunctioning—the money which the public institutions have invested in them ?

SHRI PRANAB MUKHERJEE :

far as the first part is concerned, I am afraid it is already affecting the climate. If there is so much of hullabaloo and so much of resistance—after all people would like to make money, and not give charity or show patriotism. If they find that people are not interested, and that shares cannot be transferred, it will have its adverse effect. But I do hope that with the settlement of this issue, the position would be clarified. We are asking the various Investment Centre officers and others to make propaganda.

One point is quite clear : we are not going to abandon this scheme. It will continue. We are encouraging investment, and we would like to do so whatever be the pressure or otherwise.

In regard to the second point, I am not going to immediately appoint any committee ; but about the committee which I have appointed under the chairmanship of Mr. Narasimham, the terms of reference which I have given to them will cover some of the issues which the hon. Member has raised.

21.05 hrs.

HALF-AN-HOUR DISCUSSION

Ban on Advertisement of Artificial Milk Food

MR. DEPUTY-SPEAKER : Now we shall take up half-an-hour discussion.

श्री हरीकेश बहादुर (गोरखपुर) : एडवर्टिमेंट्स जो बेबी फूड के बारे में दिए जाते हैं उस पर बैन लगाने की बात को भारत समेत 120 देशों ने सिद्धांत रूप में स्वीकार किया हुआ है। डब्ल्यू० एच० ओ० की

तरफ से एक सम्मेलन का आयोजन किया गया था। उस में बहुत से देशों ने जिन में भारत भी शामिल है कहा था कि इनको बंद कर देना चाहिए। लेकिन हमारे देश ने फिर भी इस चीज को बन्द नहीं किया। चूंकि बन्द नहीं हुए इस वास्ते इसका एक बहुत बड़ा नुकसान खास तौर से छोटे बच्चों को होता है जो इसको पीते हैं और बहुतों की मृत्यु भी हो जाती है। जिन देशों ने इन एडवर्टिजमेंट्स पर बैन लगाया है उन में कुछ हैं लेसोटो, नार्वे, स्वीडन, अल्जीरिया, मोजाम्बिक, श्रीलंका, तनजानिया आदि। न्यू गिनी ने कानून बनाया है कि बिना डाक्टर के नुस्खे के बेबी फूड लोगों को नहीं मिलेगा। लेकिन भारत सहमत होने के बावजूद भी इन एडवर्टिजमेंट्स पर बैन नहीं लगा रहा है।

प्रधान मंत्री ने अभी जेनेवा में एक वक्तव्य दिया था जिस को मैं नोट करना चाहता हूं। उन्होंने कहा था :

“Hard sell advertising and publicity makes us victims of habits which are economically wasteful and wholly contrary to good health, Indira Gandhi on the marketing of baby foods, World Health Assembly, Geneva, May 1981.

फिलिपाइन्स में इनको बन्द कर दिया गया है। उसका लाभ यह हुआ है कि बच्चों की जो मृत्यु हो जाती थी उस में 45 परसेंट की कमी आई है। साथ ही डायरिया में 71 परसेंट की कमी आई है। हमारे देश में रोक लगाने के बारे में सरकार के सामने क्या अड़चन आ रही है यह मैं जानना चाहता हूं।

वी० एस० शाह जो मैनेजिंग डायरेक्टर हैं उनको मैं इंडिया टू डे से जो 15 मार्च 1983 का है, कोट करना चाहता हूं :