

12.56 hrs.

SUPPLEMENTARY DEMANDS FOR GRANTS (GENERAL), 1974-75

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SPRI PRANAB KUMAR MUKHERJEE) : I beg to present a statement showing Supplementary Demands for Grants in respect of the Budget (General) for 1974-75.

12.57 hrs.

STATUTORY RESOLUTION RE DIS-APPROVAL OF THE TRUST LAWS (AMENDMENT) ORDINANCE, 1975 AND TRUST LAWS (AMENDMENT) BILL—Contd.

डा० लक्ष्मीनारायण पांडेय (मंदसौर) : अध्यक्ष महोदय, मैं निवेदन कर रहा था कि सरकार की दीर्घपूर्ण आर्थिक नीतियों के कारण मुद्रास्फीति बढ़ी है, बाजार में चीजों के दाम नहे हैं। भले ही सरकार के कथनानुसार कुछ समय के लिए चीजों के दाम गिरे हों, लेकिन दाम फिर तेजी से बढ़ रहे हैं। इसलिए सरकार का यह दावा कि उर्ग के विभिन्न वित्तीय प्रतिबन्धों के कारण चीजों के दाम बाजार में गिर रहे हैं, सही नहीं है। इसी प्रकार से यूनिट ट्रस्ट के बारे में सुविधायें देने के बाद सरकार यह दावा करे कि उस की वित्तीय स्थिति सुधरेगी, मैं नहीं समझता हूँ कि ऐसे कोई लक्षण दिखाई देने हैं। जो जो सरकार ने प्रतिबन्ध लगाये हैं, जैसे डिबिडेड के ऊपर प्रतिबन्ध लगाया तो हम ने उस समय ही कहा था इस से बाजार में कोई फर्क नहीं पड़ेगा वही स्थिति खड़ी हो रही है इससे आर्थिक सकट और बढ़ा है। लेकिन सरकार ने उस समय हमारी बात को स्वीकार नहीं किया था। जब कि हुआ वही जो हमने आशंका प्रकट की थी। कर्मचारियों के वेतन घाय और लाभांश को रोकने का जो सरकार ने तरीका अपनाया उससे

यूनिट ट्रस्ट की स्थिति खराब ही हुई है और साथ ही बैंकों के लेन-देन पर भी बुरा असर पड़ा है, और आज उन की स्थिति ठीक नहीं कही जा सकती है। जयद्यपि उन बैंकों ने अपने व्याज की दरें बढ़ा कर लोगों को पैसा जमा करने की ओर आकर्षित करने की चेष्टा जरूर की है। फिर भी लोग बैंकों में अपना पैसा जमा नहीं कर रहे हैं जितना कि वह करना चाहते थे या ऐसे उपायों के पूर्व जिस प्रकार जमा हो रहा था अब वह स्थिति नहीं है।

अपने अध्यादेश के जरिए यूनिट ट्रस्ट के बारे में, आय-कर के विषय में कुछ सुविधायें प्रदान की है। लेकिन यूनिट्स की बिक्री अच्छी नहीं हो रही है। मैं जानना चाहता हूँ कि जनवरी से लेकर अब तक कितने प्रतिशत बिक्री बढ़ी है? मेरी जानकारी में कोई बढ़ोतरी नहीं हुई। इसलिए यह कहना कि हमारे कदम से यूनिट ट्रस्ट की बिक्री बढ़ेगी, ठीक नहीं है। और इसलिए मैंने कहा है कि यूनिट ट्रस्ट की बिक्री पर कोई अच्छा असर नहीं पड़ने वाला है। आज साधारण यूनिट धारक को कोई आकर्षण नहीं है। आपकी आर्थिक नीतियाँ ही दोष पूर्ण हैं। आप के ग्रोथ रेट की क्या दशा है। मैं जानना चाहता हूँ कि लाभांश पर प्रतिबन्ध यदि आपसे वापस लिया तो ये सुविधायें भी वापस लेंगे?

शेयर बाजार की स्थिरता का आप ने उल्लेख जरूर किया है, और जैसा आप ने व्याख्यात्मक कारणों में बताया है कि "कम्पनियों ने (लाभांश पर अस्थायी प्रतिबन्ध) अधिनियम 1974 के अन्तर्गत लाभांश के रूप में देय मुनाफे के वितरण पर प्रतिबन्ध लगा दिया है जिस का फल यह हुआ कि शेयरो की कीमतें गिर गई हैं और सामान्य शेयरो पर लाभांश की दरों में कमी हो गई है"। लेकिन मेरा कहना है कि शेयर बाजार कभी गिरता है और कभी ऊपर उठता है। और इसलिए यह कहना कि शेयर बाजार में स्थिरता आयी

[डॉ० लक्ष्मणनारायणपांडेय]

है, सही नहीं है क्योंकि यह सब सरकार की नीतियों तथा आर्थिक स्थिति पर निर्भर करता है।

नव भारत टाइम्स में साफ बताया गया है :

“केन्द्रीय बजट को औद्योगिक अनुकूल बनाकर समर्थन करने वाले भी खासोश हो गए क्योंकि बजट का असर धीरे-धीरे रंग ला रहा है। पता चला है कि कोरपोरेट सेक्टर में सभी कारखानेदार वित्तीय संकट से ग्रस्त हैं इसलिये वे 16 प्रतिशत तक ब्याज का लोभ दिखा कर धन-विनियोजकों को आकर्षित करने में लगे हुए हैं।” तो बैंक की दरें बढ़ा कर सरकार चाहती है कि लोगों से अधिक पैसा जमा के रूप में हासिल करे। लेकिन लोग फिर भी आकर्षित नहीं हो रहे हैं। साथ ही सरकार जो डिबिंडेड के बारे में पुनर्विचार की बात करती है, उस पर भी सरकार ने ठीक से विचार विनिमय नहीं किया है। साथ ही यह भी बताया गया कि लाभांश कानून पर सरकार विचार करने वाली है। मैं जानना चाहता हूँ कि लाभांश कानून में आप कौन से संशोधन करने वाले हैं? और यूनिट्स पर किसी प्रकार का लाभ या सविधायें देने के कारण आप की कुछ हालत सुधरेगी, यह मैं नहीं जानना चाहता। और वैसा प्रत्यक्ष मैं दिखाई भी नहीं देता जिस लाभांश पर प्रतिबन्ध लगाया गया था उस समय हम लोगों ने कहा था कि यूनिट ट्रस्ट के कार्य पर, उसकी बिक्री पर विपरीत प्रभाव पड़ेगा और कुल मिलाकर आर्थिक स्थिति सुधारने वाली नहीं है। लेकिन आप ने इस बात को उस समय स्वीकार नहीं किया था। लेकिन आज वही बात सामने आ रही है। इस लिये मैं इस प्रस्ताव का निम्नमोदन करता हूँ। जो आर्थिक गिरावट आयी है और यूनिट्स की जो बिक्री कम हुई है आज छोटे-छोटे यूनिट धारक परेशान हैं। उनके हित में क्या कानून जा रहे हैं। आप क्या डिबिंडेड बढ़ा रहे हैं। यह स्थिति सब तक नहीं सुधर सकती जब तक सरकार अपनी आर्थिक दोषपूर्ण नीतियों को ठीक नहीं करती है। और जब तक अपनी दोषपूर्ण आर्थिक

नीतियों को आप ठीक नहीं करते तब तक आप कोई भी कदम उठावें, उस का कोई लाभ आप को नहीं होने वाला है। वर्तमान में किये गये उपायों से तो बड़े पूंजीपति ही लाभान्वित हुए हैं। इन शब्दों के साथ मैं राष्ट्रपति द्वारा प्रख्यापित अध्यादेश का निम्नमोदन करता हूँ।

MR. SPEAKER: Resolution moved:

“That the House disapproves of the Trust Laws (Amendment) Ordinance 1975 (Ordinance No. 1 of 1975) promulgated by the President on the 7th January, 1975.”

13 hrs.

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
PRANAB KUMAR MUKHERJEE): I
beg to move:

“That the Bill further to amend the Indian Trusts Act, 1882 and the Unit Trust of India Act, 1963, be taken into consideration.”

Sir, when the Parliament was not in session, an ordinance was promulgated on the 7th January, 1975 amending the Indian Trusts Act, 1882 and the Unit Trust of India Act, 1963. A statement indicating the circumstances which necessitated the promulgation of the Trust Laws (Amendment) Ordinance, 1975 has already been laid on the Table of the House. Hon'ble Members are aware that the Unit Trust of India was established in 1964 with an initial capital of Rs. 5 crores to promote public savings through the sale of units. The total net sale of units by U.T.I upto 30th June, 1974 was of the order of Rs. 152 crores. The annual accretion to the unit capital during the year 1973-74, i.e. between July, 1973 and June, 1974 was Rs. 30.3 crores and the repurchases were of the order of Rs. 3.7 crores only, resulting in a net accretion of Rs. 26.6 crores during the year. The total fresh sale of units during the period from July, 1974 to December, 1974 was of the order of Rs. 9.81 crores as against Rs. 23.0 crores during the same period in the previous year. The

purchase of units by the Unit Trust had amounted to about Rs. 16.35 crores during the said period as against the figure of Rs. 2.0 crores only in the corresponding period in the previous year. Hence the net accretion to the unit capital during the period from July to December, 1974 was minus Rs. 6.54 crores as against plus Rs. 21.00 crores during the same period in the previous year, resulting in a shortfall in resources of the order of Rs. 27.54 crores at a time when the resources are very badly needed for productive investment.

The spurt in redemption of units by the unit holders and reluctance on the part of investors to make further investment in the units was primarily due to the following reasons:—

- (a) Consequent to an increase in the Bank rate, there has been a corresponding rise in the interest rates on bank deposits and the high rates of interest offered by companies on deposits.
- (b) Owing to the restrictions imposed on the distribution of profits by way of dividends by companies the money invested by UTI in equity shares was expected to yield a lesser return which had caused uncertainty in the minds of unit holders whether UTI will be able to maintain its rate of dividend.

If the trend of redemption of units would not have been checked, it would have caused a serious impact on the liquidity of Unit Trust and it would have been forced to sell a part of its investment in equity and preference shares for payment to the unit holders which would have further depressed the capital market. To improve the liquidity of the Unit Trust of India and to curb the disinvestment of units by the unit holders and to promote fresh investment in units, the following long-term remedial mea-

asures were considered necessary which were incorporated in the Ordinance promulgated in 7th January, 1975.

- (a) Relief in income tax under Section 80L of the Income-Tax Act, 1961 to the extent of Rs. 2000 for income from units over and above the existing limit of Rs. 3000.
- (b) Relief in wealth-tax to the extent to Rs. 25,000 invested in units over and above the existing limit under Section 5 of the Wealth-Tax Act, 1957.
- (c) Declaring the units to be trustee securities under the Indian Trusts Act, 1882.
- (d) Permitting nominations by the unit holders in respect of units held by them and providing that the amount shall vest and be payable to the nominee.

The initial reaction of the Ordinance has been encouraging. The fresh sale of units has shown a considerable increase viz., Rs. 52 lakhs in January, 1975, and Rs. 69 lakhs in February, 1975 as against the average monthly sale of Rs. 22 lakhs during the period from August to December, 1974. It has also helped in curbing the resale of units by the unit holders which has declined from monthly average of Rs. 300 lakhs during August-December, 1974 to about Rs. 170 lakhs in January, 1975 and Rs. 100 lakhs in February, 1975. The Ordinance has, therefore, helped in improving the liquidity of Unit Trust of India.

Clause 3 of the Bill seeks to insert a new section prohibiting the use of words "Unit Trust", "Unit" or "Units", as part of name of any person other than the Unit Trust of India.

Clause 4 of the Bill seeks to amend section 14 of the Unit Trust of India Act so that the Chairman is eligible for re-appointment on the expiry of his term of office.

[Shri Pranab Kumar Mukherjee]

Clause 6 of the Bill seeks to make a minor verbal alteration with a view to make it more explicit.

Some verbal alterations of the drafting nature have also been made in clauses 5 and 7 of the Bill.

Sir, the present Bill seeks to replace the Ordinance issued on 7th January, 1975 subject to changes which are of a consequential or procedural or clarificatory nature by an Act of Parliament. I request the House to unanimously accept the Bill.

Sir, I move,

MR. SPEAKER: Motion moved:

"That the Bill further to amend the Indian Trusts Act, 1882 and the Unit Trust of India Act, 1963, be taken into consideration."

DR. RANEN SEN (Barasat): Sir, I would like to say a few words in connection with this Bill. Sir, for some time past, Mr. Subramaniam, our Finance Minister, was denying the fact that there is recession in the industry and in the economic progress of our country. Sir, he was just denying the fact of recession which has been brought about as a result of the policy pursued by the Government so far.

Sir, from our side, we have been, since along time, saying that the measures taken by the Government of India for the industrial development of the country would not bring beneficial results to the people of India. On the other hand, it has been strengthening only the monopolists who have grown after the dawn of Independence and who have been strengthening their position more and more in all sorts of ways. It has been proved today that a few monopoly houses are dictating terms to the Government and the Government willy nilly are gradually moving in the path chalked out by the monopolists who have now amassed enough wealth in our country.

Therefore, we had said and we still say that unless you curb the monopolists and unless you do away with their economic and political power, which is derived from their economic power, there can be no industrial development in the country.

We have been saying that in the public sector also, the benefits of the public sector have been accruing to the big monopoly houses who have amassed enough fortune during the last 26-27 years. Now, Sir, our advice was considered to be utopian and Government went on pursuing its policy which has resulted in this recession. In this House, we have discussed certain points in regard to production. We have shown and we have proved that production is being hampered by the industrialists who try to curtail production in order to raise their profit margin. Sir, in regard to cloth and in regard to many other things, it has been proved that there is artificial scarcity created by the monopolists. In regard to drugs, it has been proved here and it has been admitted by the Minister of Petroleum and Chemicals that in some respects, there has been artificial scarcity of drugs. As a result of that, prices of drugs, as of other commodities, went up and this vicious circle created by the policy of the Government of India has resulted in the economic recession.

Now in order to find a way out of this economic recession, what are the proposals in this Bill? It is said:

"The amendments envisage the grant of further relief from income tax to the extent of Rs. 2,000 for income from units over and above the existing limit of Rs. 3,000... and also provide for further exemption upto Rs. 25,000 from wealth tax on investments in units..."

This is the same line of policy pursued earlier. What was the percentages of units purchased by ordinary people, lower middle class people, upper middle class people, big business

magnates and others? I am sure these figures will reveal very interesting things. As far as my information goes, most of the units have been purchased by people below a certain level, who are not big people, who are not monopolists. Secondly, who are the people who are selling units back to the UTI; who are repurchasing them? These two facts will reveal very interesting things. They will show that mostly the middle class people who had purchased these units are selling them. Why? Mainly because the bank interest the ordinary citizen can get on his deposit is much higher than the dividend declared by UTI. Whereas UTI gives a dividend of 8.50 per cent, the ordinary bank rate is 10 per cent. Not only that, under some other schemes and calculations, it goes up to 11 per cent, 12 per cent and under some new schemes introduced by banks, even to 15 or 16 per cent. Therefore, why should ordinary middle class people purchase these units? Why should they not sell their units to UTI? The only thing introduced here is to give an incentive to big business by exempting from wealth tax a certain amount and by increasing the limit of exemption from income tax from Rs. 3,000 to Rs. 5,000.

13.12 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

Therefore, I would suggest that unless the Finance Ministry thinks in a different way, this position cannot be improved. After six months or so, the Minister will have to come here and say, 'No, no a further incentive has to be given to the big business so that they can invest in these units' I could understand if the Government were to make some improvement in the rate of dividend. Then there would not have been this drain from UTI and they would have mobilised much more resources for investment in shares and other things. Only giving a certain incentive to big business would not improve the situation.

think there is no need to bring in any amendment. Government should reconsider the whole position and try to see that really an attempt is made to mobilise small savings also. I know the middle class people today under the very serious limitations of economic recession, high prices and other things are trying to invest in banks and other institutions. Therefore, I would request the hon. Minister to go into depth of the thing and see how such relief is to be given to the smaller people who are investing in the Unit Trust.

SHRI NOORUL HUDA (Cachar):

Mr. Deputy-Speaker, Sir, at the outset I should like to point out that these amendments had been brought in without due consideration to all the aspects of the situation. It is stated that an Ordinance was promulgated to arrest a fall in the sale of units. According to the amendment, investors in unit will get exemption upto Rs. 5,000 with regard to income-tax and with regard to wealth tax, there will be a further exemption of Rs. 25,000 over and above the present exemption of Rs. 1,50,000, if the additional income accrues solely from units. It is true that even after a decade of operations, the UTI has been unable to make its units attractive enough on their merits. With the interest rate of Rs. 8 per cent on a one year fixed deposit in banks, the units have lost whatever attraction they had, with the result that during the first half of the year 1974, sale of units was low. The sale of units was affected because of the extravagant terms offered by some corporate managements in their anxiety to secure funds for their operations, circumventing the credit squeeze. In the Statement of Objects and Reasons, they say that there was a sourt in the redemption of units issued by the UTI causing a serious impact on the liquidity of the UTI. To curb this trend and to provide incentive for fresh investments in Units of the PTI, the President promulgated an Ordinance on the 7th January, 1975 amend-

[Shri Noorul Huda]

ing the Unit Trust of India Act, 1963 and the Indian Trusts Act, 1882. Will it achieve the purpose? The proposed exemption in our view is a piecemeal solution. It should not lead to complacency on the part of the UTI. Previously also income from UTI was not subject to income-tax and capital gains tax. But the UTI did not utilise those concessions. Apart from that, because certain corporate agencies could offer extravagant terms to circumvent the credit squeeze and other operations, this problem of the Unit Trust had sprung up.

The beneficiaries from this amendment would be those on the periphery of the Wealth-Tax with relatively large amounts of investments, and the middle class for which the Unit Trust was claimed principally to have been set up will not be benefited. There is no incentive for the middle class investors and the whole purpose for which these amendments have been brought forward would fail because the present policies of the Government of India are directed towards the interests of the big money-holders. Recently also there have been various allegations of corruption and malpractices indulged in by the big companies, but the Government of India have not been able to curb them up till now.

As the previous speaker has pointed out, these amendments would not bring about any good. The Government of India should think over the matter so that the malpractices of the corporate sector, the big monopolists and capitalists are curbed, so that the middle class investors can be given some relief and can get a remunerative rate on their investment.

I oppose the Bill.

SHRI B V. NAIK (Kanara): The Unit Trust of India was started in 1964 and it completed 10 years of its existence by 1973-74. The Annual Administrative Report for 30th June, 1974 states that industrial investment hardly showed any improvement

during the year and that the details relating to industrial licences and letters of intent issued during 1973 suggests that fresh private industrial investments continued to be sluggish. The investment during 1973 was about Rs. 75 crores while the investment during 1974 was about Rs. 73 crores. As compared to that, unprecedented boom conditions prevailed in the stock market during the year.

The Finance Ministry has gone to the extent of trying to salvage the Unit Trust by means of an ordinance. I do not think that the Unit Trust would have busted within a period of 15 days particularly when it is backed by the Central Bank of the country, namely the Reserve Bank of India. I think it does not speak well that an ordinance had to be issued to salvage this institution.

SHRI DINEN BHATTACHARYYA (Serampore): Your Government is ruling by ordinances.

SHRI B V NAIK: We can argue that backwards as well as forwards. It shows an alert Finance Ministry, but there is also a question of priority particularly when the opposition has been shouting from the roof tops that you resort to ordinances at every turn and twist of the economy in our country. I want to know whether the Finance Ministry or the Reserve Bank foster parent of this scheme, have given thought as to why there is such a sort of run on the units. The argument put forward is that this Bill enables the upper classes of income-tax payers to invest in units because of the tax exemption given. But the reason why there is a run on the units is the low interest rate they pay. What is the interest rate which these people charge on certain borrowings from the nationalised banks if there is a default? It is as high as 21 per cent. What is the amount at the disposal of the chit funds and the unauthorised agencies which have been collecting funds and deposits from the public? Why should anybody in his senses invest in a low-yielding investment like units and

forego the high yield of interest given by various companies which are taking deposits from the public? We do not know how much is paid under the table, but they give many times more than the bank deposit rates. In spite of the assurances given by the Finance Ministry, have you examined in depth whether the credit squeeze does not affect the production? Of course, it would be an exaggeration to say that the 1929 depression is repeating. Industrial production stagnated and the stock market went on rising outside control—that condition has not come. But this is a clear indication. Under these circumstances, why can't you take steps to see that the undeclared dividends of the companies which have made enormous profits during 1973-74 are invested in the units? I am referring to profits which are being used today by the company executives, big people with expense accounts, who can hire a suite at Ashoka Hotel for 11 years at Rs. 500 a day. These profits have been made possible as a result of the legislation passed by Parliament. Why not bring a law so that these profits may be invested in the units? I have given an amendment on which I need not labour much. Since you have brought this as an emergency measure taking recourse to ordinance when the *status quo ante* prevails, I think this Bill under which exemptions are granted and to that extent which is a loss to the public exchequer, should die its natural death. It would not live a day longer. I hope the Minister will accept my amendment, which is not a very complicated one.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE): Mr Deputy-Speaker, I am grateful to the hon. Members who have taken part in the discussion on this Amending Bill. In fact, the scope and limitation of this Bill is not wide. It was found from July 1974 that the repurchase of units is taking place considerably and this redemption practically forced the Government to arrive at this decision.

It was asked why the Government resorted to the issue of an Ordinance and why it could not be done through the normal course of legislation. If the hon. Members look into the statement laid on the Table of the Sabha, explaining the reasons and circumstances which necessitated the promulgation of the Ordinance, it explains the situation which was created as a result of the repurchase and redemptions. In July 1974 the sales were of the order of Rs. 865 lakhs. Since repurchases were not allowed, the net inflow was in the plus side to the extent of Rs. 865.19 lakhs. In August it came down from Rs. 865 lakhs to Rs. 23.72 lakhs, in September to Rs. 28.60 lakhs, in October to Rs. 21.36 lakhs, in November to Rs. 22.37 lakhs and in December to Rs. 19.62 lakhs. Then I come to the figures of repurchases. In July there was no repurchase. In August it came to Rs. 401.18 lakhs, September Rs. 430.82 lakhs, October Rs. 297.65 lakhs, November Rs. 294.62 lakhs and December Rs. 300.70 lakhs. The net outflow was August Rs. 377.46, lakhs, September Rs. 312.22 lakhs, October Rs. 276.29 lakhs, November Rs. 272.25 lakhs and December Rs. 281.08 lakhs. The figure for January was Rs. 118.48 lakhs. This is the situation in which the Government thought that if something is not done immediately, it would not be possible to stop repurchase and bring back the confidence of the public.

Some of the hon. Members, particularly Dr. Sen, pointed out that these proposals will not help most of the unit-holders because they belong to the low or middle income group. It has been pointed out on many occasions that the rate of dividend had a steady increase since the day of its inception upto June 1974. From 6.10 per cent it rose to 8.50 per cent. So, during the full decade there has been a steady rise in the dividends. From the month of July, when the Temporary Dividend Restriction Act came into force, it was found suddenly that repurchases and redemptions have stated mounting up. In order

[Shri Pranab Kumar Mukherjee]

to check that situation, it was felt necessary that some incentive should be given.

While pleading for the rejection of the Ordinance, Dr. Pandeya wanted to know what had been the effect of the Ordinance. I would like to quote a few figures which would indicate that already the healthy trend is visible in the market. The fresh sale of units has shown a considerable increase. The figures for January and February 1975 are Rs. 52 lakhs and Rs. 69 lakhs, while the corresponding figures for December and November 1974 were Rs. 19 lakhs and Rs. 22.37 lakhs. Therefore, the Ordinance had its effect.

It was pointed out by some hon. Members that the tax concessions given in the Wealth-tax Act and the Income-tax Act would be available only to the higher income groups, because only they would be able to invest to that extent. But the whole purpose of the Unit Trust scheme, the hon. Members would agree, is to have resource mobilisation. The resources can be mobilised as a result of the sale of these Units to be invested in the priority sectors. If we look to the investments of the Unit Trust, you will find that during this period, nearly Rs. 148 crores have been invested in the various core sectors, corporate sector, and, mostly in the priority sectors.

It would be wrong to say that the entire investment has taken place in the houses dominated by the monopoly houses. In fact, out of 520 companies in which investments from the Unit Trust have taken place, 270 companies are covered by the Monopolies and Restrictive Trade Practices Act and 250 companies have no relation with the monopoly houses. They do not attract the provisions of the Monopolies and Restrictive Trade Practices Act. Therefore, it would not be correct to come to a conclusion that the entire investment policy of the Unit Trust is to help the monopoly sector and not to do anything

with other sectors which are beyond the purview of the monopoly houses.

Secondly, it has been pointed out during the course of discussion on Budget proposals that one of the major malady in our economy is the question of resource mobilisation. Therefore, if we find that an important institution like the Unit Trust which from 1964 for a decade made creditable performance in this particular area faces an extraordinary situation in which the outflow surpasses the inflow of money, some steps should be taken. Those steps were taken by way of giving certain concessions in the form of income-tax and wealth-tax. The indications which we have received in the month of January and February are clear to indicate that a healthy sign has come back and the desired results may be available within a short spell of time.

Certain other provisions of the Act are more or less, of a procedural nature and of a consequential nature. Therefore, I would not like to dwell upon those particular provisions.

I would like to point out one thing regarding the amendment which Mr. Naik has strongly advocated for acceptance. I cannot accept this amendment for the very reason that the provisions which are contemplated in this Bill are not of purely temporary nature. The temporary restriction on the Dividends Act by its very nature is a temporary provision and it would not continue. Therefore, a provision linked up with the temporary Act could not be incorporated in a Bill which wants to give a permanent shape.

Further, the purpose of his amendment will be sorted out, as it has been pointed out by the Finance Minister when he spoke on the last occasion, and the Ministry of Finance are contemplating to bring a new legislation about the dividends which will be introduced shortly. That legislation will take care of the idea which has

been put forward by Mr. Naik. In view of that, I would request him not to insist his amendment.

With these words, I request the august House to accept the amending Bill.

MR. DEPUTY-SPEAKER: Dr. Laxminarayan Pandeya. He is not there.

The question is:

"This House disapproves of the Trust Laws (Amendment) Ordinance, 1975 (Ordinance No. 1 of 1975) promulgated by the President on the 7th January, 1975."

The motion was negatived.

MR. DEPUTY-SPEAKER: Now, I will take up the motion moved by the Minister. The question is:

"That the Bill further to amend the Indian Trusts Act, 1882 and the Unit Trust of India Act, 1963, be taken into consideration."

The motion was adopted.

MR. DEPUTY-SPEAKER: We take up clause-by-clause consideration.

There are no amendments given notice of to Clauses 2 to 9. I will put them to the vote of the House. The question is:

"That Clauses 2 to 9 stand part of the Bill."

The motion was adopted.

Clauses 2 to 9 were added to the Bill.

Clause 1—(Short title and commencement)

MR. DEPUTY-SPEAKER: Mr B. V Naik. Do you want to move your amendment?

SHRI B. V. NAIK (Kanara): Yes, Sir. I beg to move:

Page 1, line 8,—

add at the end—

"subject to the condition that the operation of all the above sections shall cease to operate the day on which the Companies (Temporary Restrictions on Dividends) Act, 1974 is

either amended or repealed or comes to an end" (1).

I do appreciate the spirit in which the hon. Minister has spoken. I am prone to accept the advice subject to one condition. He has said that the Unit Trust has been started for the purpose of investment in production sector, in the core sector—he has used all that Planning Commission's vocabulary. If the hon. Minister were to see Appendix II, page not written, the statement showing industry-wise investments as on 30th June 1973 and 30th June 1974, he will see that the investments have been made as follows: textiles (cotton, jute, rayon, pulp, woollen, etc.) 17.14 per cent. Is it a core sector? Then come the engineering goods where the percentage is 14.55 per cent. Is it a core sector? I would like to urge upon the hon. Minister to appreciate the fact that the Unit Trust has been started with the single purpose of helping the common man like me who does not know how to invest....

AN HON. MEMBER: Are you a common man?

SHRI B. V. NAIK: I am a common man—of the common man and by the common man.

Since the common man does not have the expertise at his command to make an investment and most of the big business houses and share-brokers cheat the common man, the Unit Trust has been started. Therefore, let us have no ideological bias in the Ministry of Finance as to where the investment should go. It should go for the benefit of the investors in the blue chips, in those industries which have laid business and economic foundations. Let us not talk, as far as the Unit Trust is concerned, about core sector or priority sector. Kindly invest it for the maximum benefit of the man who has invested in these units. Let him prosper with the prosperity of the Units in the country.

[Shri B. V. Naik]

With this suggestion, I would like to withdraw my amendment.

MR. DEPUTY-SPEAKER: He can withdraw only with the pleasure of the House. I will put it to the House.

Please understand the procedure. Even if there is one dissenting voice, the motion has to be put. I will put it to the House.

I will now put the amendment of Shri B. V. Naik to vote.

Amendment No. 1 was put and negatived.

MR. DEPUTY-SPEAKER: The question is:

"That clause 1 stand part of the Bill."

The motion was adopted.

Clause 1 was added to the Bill. The Enacting Formula and the Title were added to the Bill.

SHRI PRANAB KUMAR MUKHERJEE: I move:

"That the Bill be passed."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed."

The motion was adopted.

13.47 hrs.

DEMANDS* FOR GRANTS (RAILWAYS), 1975-76

MR. DEPUTY-SPEAKER: Now, we take up the Demands for Grants in respect of the Railway Budget for 1975-76. Seven hours have been allotted for this discussion. A good number of cut motions were given notice of by Members. Members who desire to move their cut motions may send slips to the Table within fifteen minutes indicating the serial number of the cut motions they want to move.

DEMAND NO. 1—RAILWAY BOARD:

MR. DEPUTY-SPEAKER: Motion moved:

"That a sum not exceeding Rs. 2,26,90,000 be granted to the

President out of the Consolidated Fund of India to defray the charges which will come in course of payment during the year ending the 31st day of March, 1976 in respect of 'Railway Board'."

DEMAND NO. 2—MISCELLANEOUS EXPENDITURE:

MR. DEPUTY-SPEAKER: Motion moved:

"That a sum not exceeding Rs. 10,11,63,000 be granted to the President out of the Consolidated Fund of India to defray the charges which will come in course of payment during the year ending the 31st day of March, 1976 in respect of 'Miscellaneous expenditure'."

DEMAND NO. 3—PAYMENTS TO WORKED LINES AND OTHERS:

MR. DEPUTY-SPEAKER: Motion moved:

"That a sum not exceeding Rs. 19,44,000 be granted to the President out of the Consolidated Fund of India to defray the charges which will come in course of payment during the year ending the 31st day of March, 1976 in respect of 'Payments to worked Lines and Others'."

DEMAND NO. 4—WORKING EXPENSES—ADMINISTRATION:

MR. DEPUTY-SPEAKER: Motion moved:

"That a sum not exceeding Rs. 137,86,69,000 be granted to the President out of the Consolidated Fund of India to defray the charges which will come in course of payment during the year ending the 31st day of March, 1976, in respect of 'Working Expenses—Administration'."

DEMAND NO. 5—WORKING EXPENSES—REPAIRS AND MAINTENANCE:

MR. DEPUTY-SPEAKER: Motion moved:

"That a sum not exceeding Rs. 513,83,41,000 be granted to the

*Moved with the recommendation of the President.