

SHRI K. RAGHU RAMAIAH: I am saying that according to the convenience of the Government, of the Opposition, of the House, of the Members and the totality of the business, we look into all aspects and decide in what order what item should come.

(Interruptions)

MR. SPEAKER: We had decided last time that hon. Members would not raise discussion about it here.

(Interruptions)

SHRI S. M. BANERJEE (Kanpur): I want to know whether a Bill banning lay-off, retrenchment, and closure is likely to be introduced in this session. If not, we would like to have some discussion on this. In this connection, the Prime Minister also made a statement that a legislation was going to be introduced.

MR. SPEAKER: You can meet the Minister and discuss it.

(Interruptions)

SHRI DINEN BHATTACHARYYA: How can there be a discussion when there is no intention to see that all lay-offs, closures are stopped?

(Interruptions)

SHRI S. M. BANERJEE: In the Business Advisory Committee, we have decided to have a further discussion. I want an answer in that connection.

(Interruptions)

12.15 hrs.

UNIT TRUST OF INDIA (AMENDMENT) BILL

MR. SPEAKER: The House will now take up further consideration of the following motion moved by Shri-mati Sushila Rohatgi on the 15th January, 1976:—

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

Shri M. C. Daga may now continue his speech.

श्री मूल चन्द झागा (पाली) : यूनिट ट्रस्ट एमेन्डमेंट बिल का समर्थन करते हुए कल मैं बता रहा था कि यूनिट ट्रस्ट का उद्देश्य क्या था। खुद आपने अपनी रिपोर्ट में कहा है :

"The Trust was established in 1964 with the primary objective of mobilising the saving of the small and medium income groups by providing them with an opportunity of investment in sound equities with minimum risk and reasonable return. The units of the U.T.I. are only one of the many avenues open to the public for investing their savings."

यूनिट ट्रस्ट 1964 में बना था। इसको बनाने का उद्देश्य क्या था और क्या वह पूरा हुआ है इसको आपकी देखना चाहिए। फिर डिविडेंड वह क्या देता है। बहुत कम देता है। आठ परसेंट ही दे पाता है जबकि आपके जो नेशनलाइज्ड बैंक हैं वे बारह परसेंट या इससे भी ज्यादा देते हैं। क्यों नहीं यूनिट ट्रस्ट छोटी कम्पनियों के शेयर खरीदता है। डिविडेंड कम होने का कारण क्या है? मैं समझता हूँ कि यह है कि एडमिनिस्ट्रेशन पर आपका खर्चा ज्यादा होता है। आपने अपनी रिपोर्ट में स्वयं कहा है :

"Total expenses including expenses on administration, provision for sundry liabilities, etc., rose to Rs. 132.47 lakhs from Rs. 98.66 lakhs in the preceding year."

एक साल में 34 लाख का खर्चा बढ़ गया है एडमिनिस्ट्रेशन पर। सब से बड़ी बात यह है कि यूनिट ट्रस्ट के बोर्ड के जो डायरेक्टर हैं वे सभी सरकारी कर्मचारी होते हैं। सेक्शन 10 जो यूनिट ट्रस्ट का है उस में यह कहा गया है :

[श्री मन्मथ प्रसाद]

"The Board of Trustees shall consist of the following, namely, Chairman to be appointed by the RB, 4 trustees to be nominated by the RB, 1 trustee to be nominated by the LIC and one trustee to be nominated by the SB."

शेयरहोल्डर जो होते हैं उनका प्रतिनिधित्व करने वाला कोई उम में नहीं है। बम्बई में इनका आफिस है लेकिन बोर्ड की मीटिंगें ये दिल्ली में होल्ड करते हैं। अगर इम तरह की मीटिंग्स दिल्ली में होल्ड की जाती हैं और एक करोड़ खर्चा आ जाता है तो कौसे यूनिट ट्रस्ट डिबिडेड ज्यादा रॉन् की स्थिति में हो सकता है।

इसके फंडज का इन्वेस्टमेंट कहा किया जाता है। बड़ी बड़ी कंपनियों में किया जाता है। आपकी रिपोर्टों को ही देखने में पता नहीं चलता है कि इसके फंडज का इन्वेस्टमेंट छोटी कंपनियों में किया गया है, या इमने उनको बढ़ावा देने की कोशिश की है।

इस रिपोर्ट में यह नहीं बताया गया है कि किस कंपनी में इन्वेस्टमेंट किया गया है; सिर्फ यह दिया गया है मीमेंट, इजीनियरिंग, आयरन एण्ड स्टील, पेपर, पेपर प्राइडक्स, कमिक्स वगैरह। यह इन्वेस्टमेंट किस आधार पर किया जाता है? जिन कंपनियों में इन्वेस्टमेंट किया जाता है, क्या डायरेक्टर लोग उनकी मीटिंगों को अटैंड करते हैं, और उसके काम की देखते हैं? क्या उन्होंने कभी गवर्नमेंट के सामने ऐसी कोई शिकायत रखी है कि अमक कंपनी कानून को नहीं मान रही है?

आखिर यूनिट ट्रस्ट आफ इंडिया का परपज क्या है? बैंको के नेशनलाइजेशन के बाद यूनिट ट्रस्ट आफ इंडिया का कोई परपज नहीं है। ऐसा मालूम होता है कि इसका उद्देश्य सिर्फ कुछ लोगों को पालना है। वे जिस कंपनी के शेयर खरीदते हैं, न बने उसकी

मीटिंग को अटैंड करते हैं और न यह पता लगाने हैं कि उस कंपनी का काम कैसा है। सरकार ने आई० डी० बी० आई० और आई० सी० आई० सी० आई० आदि वर्जनों फाइनेंशियल इंस्टीट्यूशन्स बना रखी है। रिपोर्ट में यह नहीं बताया गया है कि यूनिट ट्रस्ट आफ इंडिया ने कौन-कौन सी छोटी इंडस्ट्रीज में इन्वेस्टमेंट किया है। यह देखना चाहिए कि क्या यूनिट ट्रस्ट आफ इंडिया का प्रोजेक्ट फुलफिल होता है या नहीं। उसके द्वारा बड़ी बड़ी कंपनियों में शेयर खरीदे जाते हैं, लेकिन यह नहीं देखा जाता है कि वे कंपनिया किस तरह से काम कर रही हैं। इसी कारण इमका डिबिडेड बहुत कम है अर्थात् 8 परसेंट। जिनके पास ज्यादा कैपिटल है और जो टकम में बचना चाहते हैं, वही कम डिबिडेड लेते हैं। मालदार लोगों का फायदा पहुंचाने के लिए ही यूनिट ट्रस्ट आफ इंडिया बना हुआ है। केवल कुछ आदमी इमना लाभ उठाते हैं। जैसा कि मैंने बताया है, एडमिनिस्ट्रटिव और सडरी लायबिलिटीज वगैरह का खर्चा 98.66 लाख रुपए से बढ़कर 132.47 लाख रुपए हो गया है, यानी एक साल में 34 लाख रुपए बढ़ गया है। इमका आफिस बम्बई में है लेकिन मीटिंग दिल्ली में होती है जिससे मीटिंग पर लाखों रुपए खर्च होते हैं। जिन कंपनी का मदद देनी है, उसके शेयर खरीद लिए जाते हैं। जो पढ़े-लिखे लोग कोई और काम नहीं कर सकते हैं, उनको इसका डायरेक्टर बना दिया जाता है।

मे समझता हूँ कि इस सस्था को खत्म कर देना चाहिए। इमका परपज सिर्फ यह है कि धनवान लोग अपनी पूजी इसमें लगायें, क्योंकि वह टक्स से बचना चाहते हैं। इसके द्वारा छोटी कंपनियों को पैसा नहीं मिलता है। जैसा कि मैंने बताया है, इस रिपोर्ट में यह नहीं बताया गया है कि किस किस कंपनी में इन्वेस्टमेंट किया गया है। कौन लोग ऐसी रिपोर्ट लिखते हैं? इसके बोर्ड आफ डायरेक्टरों में कोई इलकटेड रिप्रजेंटेटिव नहीं है। शेयर

होल्डर्स का कोई रिप्रेजेंटेटिव नहीं है। सब लोग नॉमिनेट्स हैं। पॉलिथ्रॉस्ट के मेम्बरों को इस रिप्रेजेंट को देखने की फुरसत नहीं है। यह एक बेकार-सी संस्था है, जो केवल दलाल का काम करती है। वह एक तरफ से पैसा लेती है और दूसरी तरफ दे देती है। इन प्रकार की संस्थाओं को खत्म कर देना चाहिए। बैंकों के नेशनलाइजेशन के बाद इसकी कोई जरूरत नहीं है। अगर इसकी कायम रखना है तो यह प्रमोडमेंट होना चाहिए कि इसके द्वारा छोटी छोटी कंपनियों को प्रोत्साहन दिया जाये, ताकि देशके विकास में सहायता मिले।

SHRI DINEN BHATTACHARYYA (Serampore): Sir, yesterday, when the Bill was raised before the House by the Hon'ble Minister and I heard the speech, it appeared to me that it was a very simple Bill. My friend Mr. Chandrappan also said that this was a very simple Bill and there is nothing to oppose it. But after going through the Bill it appears to me that it is a trick by the Government to give ample opportunity to the rich to anyhow see that their black money is transformed into white money and, while doing it, they are also getting concessions if they deposit their black money in the Unit Trust. As such, there are some points to be considered.

As Mr. Daga has very ably put it, it is only to encourage the rich and see that more chances are given to them to get some benefit out of this Fund that this concession has been given. If somebody who is now staying outside India invests money in this Unit Trust of India, when he wants to sell it, in which currency he will get back the money is not very clear from the Bill. It also appears that the claim that has been made here by the Minister that it will help us to earn more foreign exchange is not correct. I am not in agreement with this version because when they—those who are not residing here and are residing abroad—

invest money in this Unit Trust of India, whenever they want to take back or dispose of their shares, they will be paid in foreign exchange and not in Indian currency. That is obvious; otherwise the Bill could have provided specifically in what currency they will be paid back.

It has been already pointed out that, for the most part, it is now out of the purview of the Reserve Bank of India and all the Directors there are in no way responsible to the Parliament. A major amount of the money that is there in the Unit Trust Fund is invested for the benefit of the big houses and the big industrialists and they are gaining by this Unit Trust of India and not the ordinary poor people. So, this concession given to the Unit Trust holder is itself another device to increase the profitability of the richer classes in and outside India. When the ordinary working classes and the Government employees in this country are being hardhit by the exorbitant rise in prices due to the imposition of heavy indirect taxation on essential commodities, you say that they have to make sacrifices for the country. But when it is in respect of the richer sections of the people either within the country or outside, all these concessions are given. Moreover, from the reports so far available to us, it has been amply established, as Mr. Daga and Mr. Chandrappan mentioned, that all the benefits are being enjoyed by the richer sections, especially by the monopoly houses. So, whatever may be the excuse stated here by the Minister regarding this Amendment Bill, I do not find any reason why this House should allow the Government to extend further concessions to the richer sections of the people. So, my very humble suggestion to the Minister is this: be truthful and say for what purpose this Bill has been brought, for whose benefits this has been brought. You may say that this is for the development of our national economy, we will earn foreign exchange and all that. But

[Shri Dinen Bhattacharyya]

these are bogus arguments, because ultimately you will have to pay them back in foreign exchange, not in your own currency. So, do not plead in that way. Further, I would like to know whether, henceforth, this money which is accrued in the Unit Trust of India will be spent for the benefit of the medium and small entrepreneurs or it will be spent as it is now being spent for the benefit of the richer people, for the benefit of the big houses, specially the monopolies. All these questions must be clarified.

SHRI S. R. DAMANI (Sholapur):

Mr. Speaker, Sir I rise to support this Bill. The Amendment is to attract the funds of our countrymen who are settled or are working in other countries, especially to encourage the flow of foreign exchange into the country. This is a very laudable purpose and I am sure it will be very useful for the country. I have visited many countries, especially the Arab countries, and I have found that a large number of our countrymen are working there in almost every walk of life. They require investment avenues. It will be a good attraction for them to make investment in the Unit Trust because their money will be secured, they will get their full return and also they will not have to pay taxes on that.

In this connection, I would like to make a suggestion. Vigorous efforts are required to advertise this scheme in all the countries where our countrymen are settled or are working. Without that, we cannot attract those people only drawing up a scheme will not do; the Government, particularly the Unit Trust, should spend sufficient money to approach those people who are settled or are working in other countries and bring to their notice the advantages of this scheme. This is one suggestion which I make out of practical experience. I hope, the Unit Trust of India and the Government will take note of this.

Two of my friends have spoken about administrative expenditure. I would like to point out that the administrative expenditure is not very high. The total investment of the Unit Trust of India is Rs. 175 crores, and to manage the affairs of a Corporation with an investment of Rs. 175 crores, an expenditure of Rs. 1.3 crores, which works out to a little more than half a per cent, is not significant at all. Our country is a very big country and in fact, they should spend more money on advertisement, so that the public should know about their schemes and invest their funds in the Unit Trust of India...

कच्नारी अणिलेन पडेल (सबरकठा)
अध्यक्ष महोदय, सदन मे कोरम नही है

MR SPEAKER: Let the bell be rung.

Now there is quorum. The hon. Member, Shri Damani, may continue.

SHRI S. R. DAMANI: I was saying that the Unit Trust of India should spend more money on advertisements to attract deposits.

The investment policy of the Unit Trust of India is very correct. They are investing in various sectors like cement, steel, fertilizers etc. which are very essential for the country. Most of their investment has been made in these industries. According to me, the investment that they have made, or the criterion of investment in different industries is justified.

The investment in the Unit Trust of India serves two purposes. One is that the money of the investors is secure, and secondly, the industry gets finance for increasing their production or for setting up new industries. The Unit Trust of India pays 8-9 percent dividend on the investment and the first three thousand rupees are free of income-tax. That is good investment and it is better than depositing in banks. The investment is secure, the

investors get 8-9 percent dividend and the entrepreneurs are able to get funds for their industries etc. The money is secure and in case of need, the investors can get back their money without any depreciation.

I would only like to suggest one thing which is not there already. The money which is invested should get appreciated. Something should be done so that the funds appreciate; that will attract more funds. Therefore, there should be some scheme by which investors who purchase units should have the benefit of some appreciation in the value of the units and that would attract more funds from the rural sector also. It is said that Rs. 175 crores worth of units have been purchased by the public from all sectors of the society and they are able to take advantage of the Unit Trust.

I suggest that the Government should introduce a scheme by which they can get benefit of appreciation in the value of the units and also I would plead that the present exemption limit of Rs. 3000 should be raised to Rs. 5000 so that more and more people may take advantage of the units.

With these words I support the Bill.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI): I would like to thank at the outset all the hon. Members who have participated in this debate and I welcome their suggestions. Though I may agree or disagree with some of them, I do welcome many of the suggestions.

I think Mr. Daga made a very scathing attack on the operation and working of the Unit Trust and he is entitled to have his own opinion. But I think when he said that there is probably no need for the Unit Trust at all and probably the hon. Member from the other side also agreed and said that it represents the monopoly houses and probably it is a trick which

the Government is trying to impose on the innocent public and that the Minister should be a truthful one for a change and that we should come out with the genuine requirements behind it and the motivation why the Government came forward with this Bill. I would only say that generally, not only generally but always we try to be truthful and this is no exception to the same and the Government certainly consider it to be a very innocent, very useful and very good and timely Bill. There is no question of any trick involved.

May I have the hon. Member, Shri Bhattacharyya's ears?

SHRI DINEN BHATTACHARYYA: My Kanpur friend wants to have a word with me.

SHRIMATI SUSHILA ROHTAGI: He is great friend.

Sir, the fact is that there is no trick behind it. In this connection I would like to assure hon. Members that there is no skeleton in the cupboard and everything is above board.

This Bill is a welcome measure in the sense that from time to time there have been representations and people have been wanting to have their money invested in India in the form of these units and the Government also wanted that there should be a package of incentives which would attract foreign investment here and from abroad. At the same time, Parliament was not in session at that time. Therefore, it was desired that all these things should be presented in a package form so that there is a real incentive to people to come and invest here.

About the working of the Unit Trust, the annual report of the Trust amply shows that the criticism made is not well-founded. The main purpose of creating the Trust was that apart from other factors, with the depression in the market, the entrepreneurs were

[Smt. Sushila Rohatgi]

not coming forth and there was hardly any capital formation and people were not sure about it; hence it was not only to ensure that there was safety of the capital involved but there should be some steady return also that the Unit Trust was set up and we find that in spite of the ups and downs and the depression in the economy in the last couple of years, during the decade they have shown some improvement. Though the dividend has remained at 8.6 per cent they started with 6.1 per cent—there is always scope for improvement and there are chances that they may improve also.

Another factor I would like to mention is that by and large the investors do not represent the higher section only.

About assistance by the Unit Trust, about 92 per cent of its assistance goes to the priority sector. In Maharashtra as also in two or three other States we tried to make a sample survey which, of course, may not be correct for the entire country but we do find from the break-up that the majority of the units are held by people who are salary-earners or house-holders or people of middle and lower income groups and hence this fear of the monopoly and concentration, etc. does not hold good here. From all points of view I think the Unit Trust has really done well. There is always scope for improvement.

Mr. Daga pointed out about the expense ratio. I would like to tell him that the Finance Minister has already constituted a group to go into all the aspects of the expenses of the Trust and the report is being prepared. I think that will throw further light and, therefore, we would welcome if there are constructive suggestions and we certainly look into them.

Shri Chandrapan raised a basic question. He asked about the three names on the Board of Trustees. I

would only say that the Unit Trust is managed by a Board of Trustees. It consists of ten members including Chairman. Out of these 10, six are appointed by the Reserve Bank, one is nominated by the State Bank of India and another is nominated by the LIC and the remaining two are elected by the contributors of the initial capital viz., nationalised banks and other financial institutions. As regards Shri Arunachalam, he is an industrialist. Shri Puskalkar is the Managing Director of Greeves Cotton Ltd., and Shri Randeria is the Executive Director of the Life Insurance Corporation.

Taking the overall picture, the objects for which the Unit Trust was brought into existence, these have been really justified.

Our people find it helpful. Our people have gone abroad to a number of countries. They are carrying on a campaign. There is satisfactory response to it. Though it is early to assess and to quantify the amount, but we are sure that with the research being carried out now and the response that we are having, I think the position will improve from time to time.

With these words, I hope all the fears and doubts generated by our friends will be allayed and the House will give its unanimous support.

SHRI DINEN BHATTACHARYYA:
You have not answered, if anybody is holding Unit Trust share and he is not a resident of India, in what currency he will be paid back?

SHRIMATI SUSHILA ROHTAGI:
When he buys, it will be converted into rupees. I suppose, when he buys them back, it will be in their currency.

SHRI M. C. DAGA: Whether the trustees attend the meetings to find out to whom they give money and whether they are doing their work according to rules laid down?

SHRIMATI SUSHILA ROHATGI:
Where the group goes into all those aspects, that will be justified.

MR. SPEAKER: The question is:

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

The motion was adopted.

MR. SPEAKER: Now we take up clause by clause consideration. There are no amendments and, therefore, I will put all the clauses together.

The question is:

"Clauses 2, 3 and 1, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted.

Clauses 2, 3 and 1, the Enacting Formula and the Title were added to the Bill.

SHRIMATI SUSHILA ROHATGI.
I beg to move:

"That the Bill be passed."

MR. SPEAKER: The question is:

"That the Bill be passed."

The motion was adopted

12.40 hrs.

BURMAH SHELL (ACQUISITION OF UNDERTAKINGS IN INDIA)—BILL

THE MINISTER OF PETROLEUM (SHRI K. D. MALAVIYA): I beg to move:*

"That the Bill to provide for the acquisition and transfer of the right, title and interest of the Burmah Shell Oil Storage and Distributing Company of India Limited in relation to its undertakings in India with a view to ensuring co-ordinated distribution and utilisation of pet-

roleum products distributed and marketed in India by the said company and for matters connected therewith or incidental thereto, be taken into consideration."

The Government have declared their intention of acquiring effective control over the oil industry, both in refining and marketing as well as in exploration and production of crude oil.

The first step was taken in this direction in March, 1974 when we acquired the assets and operations of ESSO in India. Recently an agreement was signed by Government and the principals of Burmah-Shell for the purchase of cent per cent of the share capital of Burmah Shell Refineries Limited and the transfer and vesting of Indian assets and liabilities of Burmah Shell Oil Storage and Distributing Co. of India Ltd. With the taking over of Burmah Shell, Government would be assuming effective control of about 95 per cent of the production and marketing of petroleum products in the country. We would, as the hon. Members would know, be left only with the small assets of Assam Oil Company and the Caltex which are owned and operated by foreign oil companies. Negotiations for the take-over and control of both the Assam Oil Co. and the Caltex are now going on and we hope that progress will also soon be made in that connection.

As the hon. Members would have noted, this Bill refers only to the acquisition of the distribution and marketing operations of Burmah Shell Oil, Storage and Distributing Co. of India Ltd. It is necessary to execute this part of the total transaction by means of legislation because Burmah Shell Oil Storage and Distributing Co. of India is not a company which is registered in India. It is a branch of a foreign company which is operating in its home in England. There may be

*Moved with the recommendation of the President.