

Title: Parel Investments and Trading Private Limited and Domestic Gas Private Limited (Taking Over of Management) Repeal Bill, 2005.

14.39 hrs.

MR. DEPUTY-SPEAKER: Now we will take up Item No. 21.

THE MINISTER OF PETROLEUM & NATURAL GAS AND MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR): Sir, I beg to move :

"That the Bill to repeal the Parel Investments and Trading Private Limited and Domestic Gas Private Limited (Taking over the Management) Act, 1979, as passed by Rajya Sabha, be taken into consideration."

MR. DEPUTY-SPEAKER: The question is

... (*Interruptions*)

SHRI MANI SHANKAR AIYAR : I think, Sir, I will have to give an explanatory statement.

MR. DEPUTY-SPEAKER: Okay.

SHRI MANI SHANKAR AIYAR : Mr. Deputy-Speaker, Sir, I have the honour to present for your consideration the Parel Investments and Trading Private Limited and Domestic Gas Private Limited (Taking Over of Management) Repeal Bill, 2005, as passed by Rajya Sabha.

With your leave, Mr. Deputy-Speaker, Sir, might I seek your indulgence to explain the background to this Bill? M/s Hindustan Petroleum Corporation Limited (HPCL), a Government of India undertaking was formed after merging four companies at different points in time, namely, ESSO, Lube India Undertakings, Caltex and Kosangas Company. HPCL has an all-India presence in the LPG business.

Two companies, namely, M/s Parel Investments and Trading Company Limited (formerly known as Parel Investments and M/s Trading Private Limited) and Domestic Gas Private Limited were concessionaires of Caltex, appointed as distributors for the sale of Caltex's packed LPG for southern and eastern India. The Government of India took over the management of PITCL and DGPL, and pending acquisition of their LPG business, HPCL were appointed as custodian through the Parel Investments and Trading Private Limited and Domestic Gas Private Limited (Taking Over of Management) Act, 1979.

The Goculdas Group of Companies, the common promoter of these two companies, filed writ petitions in the Delhi High Court in 1979 in respect of these companies. The Court granted interim relief to the petitioners and ordered that the non-LPG business of these companies shall not be taken over by the Government or HPCL. Shri R.M. Goculdas, the authorised representative of the Goculdas Group of Companies, offered an out-of-court settlement to Government in 1985. It was felt that a negotiated out-of-court settlement would end long drawn out litigation. Pending finalisation of the settlement, the writ petitions were disposed of by the Delhi High Court in December, 1996, with liberty to the parties to apply for their revival, if need be. However, the settlement could not be finalised.

In February, 2000, Shri Ashok Chandra, former Secretary, Ministry of Petroleum and Natural Gas was appointed to hear all the interested parties and give his recommendations.

On the basis of these recommendations, an out-of-court compromise settlement was negotiated between the Goculdas Group of Companies, HPCL and Ministry of Petroleum and Natural Gas. It envisaged taking over the LPG business of PITCL and DGPL only at a nominal amount of Rs. 10,000 handing back the management relating to non-LPG business to the Goculdas Group of Companies; and not raising any dispute in future with regard to taking over the management and assets and liabilities of their LPG business.

The title of the LPG business of the two companies was required to be vested in HPCL in order to regularise HPCL's investments in modernising and expanding their LPG business. The acquisition of their LPG business would enable HPCL to maintain the bottling, transporting, marketing and distribution of LPG.

In accordance with the decision, the conveyancing of LPG business and related assets of PITCL and DGPL in favour of Government of India and HPCL has since been effected through deeds of assignment on April 2, 2004.

Under the deeds of assignment, all the assets relating to LPG business, namely, leaseholds, land, building, gas cylinders, bottling and filling facilities, tank lorries, LPG stock, bank balances, books of accounts, registers, have been acquired and transferred subsequent to management take over in 1979. In addition, only liabilities arising out of deposits collected from customers for LPG cylinders, gratuity to employees, current liabilities relating to sundry creditors and wages of employees have been assumed by the Government and HPCL. The remaining liabilities continue to be with the respective companies.

The Act of 1979 had displaced the Board of Directors of the two companies and had empowered HPCL to perform all functions of the Board of Directors. Under the deeds, the management of the said two companies shall be relinquished in favour of the respective two companies, except in relation to the LPG-related business which has been acquired.

An amount of Rs. 10,000/- has been paid for the assignment of the LPG business to each of the said two companies.

Under the deeds, the officers and workers employed in the LPG business of PITCL and DGPL shall be absorbed on the rolls of HPCL. Their employment shall continue on the same terms and conditions as were applicable prior to the acquisition and until revised

by HPCL.

As the process of conveyancing is completed, it is now proposed to repeal the Parel Investments and Trading Private Limited and Domestic Gas Private Limited (Taking Over of Management) Act, 1979. The present Bill aims at this.

I, therefore, commend the Bill to this august House.

MR. DEPUTY-SPEAKER: Motion Moved:

"That the Bill to repeal the Parel Investments and Trading Private Limited and Domestic Gas Private Limited (Taking over of Management) Act, 1979, as passed by Rajya Sabha, be taken into consideration.

SHRI KHARABELA SWAIN (BALASORE): Sir, I will complete in one minute. I would like to just draw the attention of the hon. Minister to a very interesting fact.

Shri R.M. Goculdas, the authorised representative of the Goculdas Group, had offered an out-of-court settlement to the Government of India in 1985. But when did the Government of India accept it? It was accepted after 15 years, that is, in 2000. It is very unfortunate. How is our Government functioning that it took 15 years for them to accept the offer? I will just seek one small clarification from the hon. Minister. He has mentioned about some liabilities arising out of taking over the charge, like gratuity to the employees, deposits collected from customers and current liabilities relating to sundry creditors. Are they very substantial? It is a very small clarification which I want to seek from the hon. Minister.

I support the Bill.

SHRI K.S. RAO (ELURU): Sir, I am very happy that the hon. Minister has taken up the Parel Investments and Trading Private Limited and Domestic Gas Private Limited (Taking Over of Management) Repeal Bill now. This is a glaring example as to why the countrymen are losing faith in the Government as well as the Judiciary. It took 26 years to bring the Repeal Bill here. It could have been done long back. Now, suppose, they say that the assets and other things would not have any value, the assets might not have been there at all and whatever assets are there, they belong only to the Government. So, while appreciating the hon. Minister, I request the Government to bring such legislation and infuse confidence in the people that the Government is working and the Judiciary is also working. You must also send a message to the Judiciary that the cases should not be kept pending for decades.

I can understand if there is litigation going on which cannot be decided in a short span of time. But it took 25 years for such a small case where hundreds of crore of rupees are not involved.

I definitely appreciate when Shri Bahuguna in 1979 felt that in the interest of the public, he had to take over this private company. We can understand it. But when it has become difficult to run even public sector undertakings in a profitable condition, there is no sense in taking up the private companies by the Government.

So, I support the hon. Minister that at least now he has brought this Repeal Bill and handing over, more particularly, the non-LPG business. But, once again, as my hon. friend Shri Kharabela Swain has said, I wish the hon. Minister to ensure that the valuable assets like land, which are there in the name of the company belonging to this LPG business, should not be left to that company and such assets should be taken care of by the hon. Minister.

SHRI MANI SHANKAR AIYAR: Sir, I regret that I do not have the exact figure of the liabilities that are arising out of it. I should certainly communicate them to the hon. Member. But I can assure him that in so far as the liabilities relate to the LPG business, it is only reasonable that when we are taking over the assets, we should take over the liabilities as well. It is a profitable business and it will be run well.

I agree with the hon. Member Shri K.S. Rao that we should attempt to expedite these matters, but sometimes, disputes do require time to be the leavening for finding a solution to the problems.

Sir, with these words, I commend the Bill to the House.

MR. DEPUTY-SPEAKER: The question is :

"That the Bill to repeal the Parel Investments and Trading Private Limited and Domestic Gas Private Limited (Taking over of Management) Act, 1979, as passed by Rajya Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY-SPEAKER: The House will now take up clause-by-clause consideration of the Bill.

The question is :

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1, the Enacting Formula, the Preamble and the Long Title

were added to the Bill.

MR. DEPUTY-SPEAKER: Now, the Minister may move that the Bill be passed.

SHRI MANI SHANKAR AIYAR: I beg to move :

"That the Bill be passed."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed."

The motion was adopted.