

etc. Bill

15.36 hrs.

**STATEMENT RE. CORRUPTION CHARGES AGAINST THE FAMILY MEMBERS OF THE PRIME MINISTER AND THE FORMER HOME MINISTER**

THE MINISTER OF HOME AFFAIRS (SHRI H. M. PATEL): Madam; In a statement I made on February 23, 1979 in the Rajya Sabha and in answer to a few Unstarred Questions in the Lok Sabha, mention was made of Government's decision to refer the Debate on the motion that was adopted on August 10, 1978 in the Rajya Sabha to the Chief Justice of India with the request that he may inquire whether any *prima facie* case in respect of any of the charges referred to in the Debate aforesaid, which pertain to the period after the present Government took charge in March 1977, is established against the family member of the Prime Minister and the former Home Minister so as to justify a formal inquiry under the Commissions of Inquiry Act. I accordingly requested the Chief Justice of India to take up this inquiry and give his advice in this connection.

The Chief Justice in his reply referring to developments subsequent to the Prime Minister's statement of 24th August 1978 in the Rajya Sabha noted that there was a sharp cleavage of opinion amongst persons holding different political views on the propriety of the Chief Justice of India undertaking such an assignment. He has further stated that even if he were to devise a generally acceptable procedure for inquiry with the charges, he would be functioning essentially as a '*persona designata*'. The Press and the public would be free to make assumptions regarding the reasons for his opinion and Parliament would also be at liberty to debate on the merits of his view. The Chief Justice, therefore, felt that the office of the Chief Justice of India might be dragged into a public controversy

thereby affecting the image of that high office. Accordingly, the Chief Justice suggested that rather than entrust this assignment to him—Government might consider referring it to a retired Judge of the Supreme Court.

Appreciating the reasons put forward by the Chief Justice and sharing his anxiety that nothing should be done which would involve the office of the Chief Justice of India in any controversy or impair in any way its dignity and position, Government agreed to defer this matter to a retired Judge of the Supreme Court, but felt that it would be more appropriate if the retired Judge to make the inquiry were to be nominated by the Chief Justice of India rather than selected by Government.

After careful consideration, the Chief Justice suggested the name of Shri Justice C A Vaidialingam for this assignment. Government has accordingly reflected the entire question, which was sought to be reflected to the Chief Justice, to Shri Justice Vaidialingam for his consideration.

MR. CHAIRMAN: Now Shri Bahuguna.

(Interruptions)\*\*

15.40 hrs.

**KOSANGAS COMPANY (ACQUISITION OF UNDERTAKINGS) BILL AND PAREL INVESTMENTS AND RAD TRADING PRIVATE LIMITED AND**

**DOMESTIC GAS PRIVATE LIMITED (TAKING OVER OF MANAGEMENT) BILL—Contd.**

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI H. N. BAHUGUNA): Madam Chairman: Whereas I am beholden to hon. Members for making suggestions with regard to the availability of petroleum and petroleum products... (Interruptions)

SHRI B. SHANKARANAND (Chikodi): Just one minute, before the Minister leaves—one point.

\*\*Not recorded.

MR. CHAIRMAN: No, Mr. Shankaranand. The Minister has started. Mr. Bahuguna, please continue.

(Interruptions)\*\*

MR. CHAIRMAN: There is no clarification on a statement.

SHRI H. N. BAHUGUNA: As far as that question is concerned...

(Interruptions)\*\*

MR. CHAIRMAN: Then you could have asked before I called him.

(Interruptions)\*\*

MR. CHAIRMAN: Mr. Bahuguna, please continue. I have called you.

SHRI H. N. BAHUGUNA: Whereas I am thankful to the hon. Members for making many suggestions with regard to the supplies of petroleum and petroleum products in various States, I would only say that it has been our endeavour to make these supplies.

(Interruptions)\*\*

MR. CHAIRMAN: It is not on record. I am sorry. I had called Mr. Bahuguna. He is being recorded. I have not expunged. I had called Mr. Bahuguna.

(Interruptions)\*\*

MR. CHAIRMAN: According to the rules, those whom I have called would be recorded. Mr. Bahuguna, you can continue; you will be recorded.

(Interruptions)\*\*

SHRI H. N. BAHUGUNA: I am in your hands.

MR. CHAIRMAN: You will be recorded because I have called you. If the Law Minister makes some remarks as he is going out, his remarks do not get recorded.

(Interruptions)\*\*

MR. CHAIRMAN: I said, if the Law Minister makes some remarks as he is going out his remarks do not get recorded. There are no rules that he be recorded. I have called Mr. Bahuguna.

(Interruptions)\*\*

MR. CHAIRMAN: Whosoever is called will be recorded. You continue Mr. Bahuguna.

(Interruptions)\*\*

MR. CHAIRMAN: Mr. Bahuguna, you continue.

SHRI H. N. BAHUGUNA: My difficulty is that I have a very small Bill. But as Mr. Saugata Roy said, I do not want the House to accept everything without a discussion. Therefore, it is very good that a number of points have been thrown in. The question is very simple. We have a legacy from the erstwhile foreign companies who had kept some intermediaries for purposes of bottling and marketing, transporting and distribution of gas to the domestic consumers and industrial consumers. Now this work is done 9 out of 10 by oil companies in the case of about 2,8 million consumers; in the case of a few consumers, that is about 500,000 consumers, in relation to Kosangas, this was being done by a private company, Kosangas Company. Here an intermediary granted a licence which expired on 5-7-77 by the erstwhile company which was really a liability which came to the nationalised Hindustan Petroleum Corporation as a matter of being successor company to that company which had given these particular types of concessions. So, this intermediary or concessionaire, as they called it, was a middle man unlike the rest of the gas business, domestic or industrial LPG business which, as I said, covers

\*\*Not recorded.

[Shri H. N. Bahuguna]

today about 2.8 million domestic consumers. Therefore, it looked rather incongruous to have one small partnership firm or one or two more partnership firms to remain there; and a few of them who were in this particular situation, all those whose term completed, we had come forward to this House to permit us to nationalise them or take over the management of those in case of which we had not been able to finalise their accounts or be sure about their accounts. An hon. Member, Shri Anithu Sahoo, said, we were taking a jump in some deep dark well. Similarly, other hon. Members made a similar suggestion. We have full accounts of Kosangas. We are, therefore, coming forward to nationalise it.

About Parel and the Domestic Gas or others, we do not have their full accounts with regard to liability and assets. Therefore, we are just taking their management over. We would come to this House with detailed facts about them also. Ultimately we are taking over those two also with a view to also ultimately nationalise them, that is, make them part of the general system under which domestic and industrial supply of LPG is made by the oil companies directly. We do not want to leave these two small islands from out of the purview of the activities of the nationalised companies (2) Some Members believe that they were sick companies and therefore we are taking them over. These companies have resisted their take over. I may in all humility say that perhaps there was no pressure which they spared; they mobilised an army of people to persuade me not to take it over. But my point was simple we give bulk gas and they just handle it and market it and make a profit over it and give it to the domestic consumer and ultimately why should they make the middle-man's profit?

SHRI VAYALAR RAVI: Their contract is over.

SHRI H. N. BAHUGUNA: The contract is over. The land belongs to them, the land on which they are standing today. It is a valuable piece of land. They have bottling plant, which is still used. They have a large number of cylinders which are of major use. They have a transport system, transport equipment which is still relevant.

SHRI SAUGATA ROY: No account of their assets is given here.

SHRI H. N. BAHUGUNA: As I said before, we have in the financial statement said about the Kosangas. What we have tried to do is to find out the total assets available with them. If the principle enunciated is that; first find out what assets are, then calculate the value of those assets and pay compensation, certainly I would withdraw myself and say that I do not want this nationalisation. But I must admit that this will not be the correct thing to do. The Constitution amendment by which the word 'compensation' had been removed and was replaced by the word 'amount' would have no purpose. We are not paying them compensation. We are trying to be just and fair. If we are to pay compensation at market value, if that was the whole idea, the whole thing would be different and I would be calculating it in a particular manner. All the while I have marked it and seen that we do not pay them more than what really should be paid to them from a very reasonable man's point of view. I am not expropriating their property or land or equipment. Shri Ravi was saying: their contract was coming to an end; you should have stopped giving them LPG. Why are you giving them LPG. If I were to put those facilities for processing LPG and bottling them and then distribute them, if I were to purchase new cylinders for that purpose and ask the consumers to give me new deposits, what would it be like? We have to see this.

I can assure the House that we wanted a purposeful affair. The second point is this. After all, though the contract was for a particular period of time, those assets which he had possessed were assets created by him from out of the money of the subscribers, domestic gas users' money. I should not put the users to difficulty with this man; because, if I would not be paying him anything from where would he return the money to them, because money had been invested in the various things, cylinders, etc. Kosan gas company would be happy if that is the advice of the House, that I should permit Kosan gas to continue. I will feel hurt in principle because permitting a family to control this type of bulk thing for 500,000 people, domestic consumers and industrial consumers would be repugnant to the whole scheme. Kosan gas would be the happiest people if I were to tell them; I do not take over this; let the old terms and conditions and contract continue.

SHRI VAYALAR RAVI: No, no.

SHRI H. N. BAHUGUNA: What is the purpose Expropriation? I am sorry we cannot expropriate. Therefore we have valued it at a particular point. If anyone wanted me to give for their land value at the current rate, it will be more than this amount. They have got a piece of land in that area. The current price of land is area. The current piece of land is very high. In Bombay you know what land is valued at, I said, no I will go by your book value. So, we have gone in that process and we have tried to find out and see to it. I do not know how far debate of ours will be used because they are ready with the petition. I am telling the house that they are ready to go to court. They are telling me that it is almost expropriation according to them. I am afraid whether my comments on things will be used by them. I must not take the House for granted I must tell the House that we have taken book value of the things. We

have found out what it can be. Since take over was coming in which we would have asked them to give us Rs. 28 lakhs more according to the book value, the Law Ministry said, you cannot take over thing by charging them something—that I am taking your assets, therefore, please give me on the basis of book value, on the basis of balance sheet, on the basis of written down value and since according to them the market value was going much beyond this amount, we have come to the conclusion that we do not give them anything. We take responsibility for these particular items and give them Rs. 10,000 more. In order to fulfil requirement of law, you cannot take over a thing from anybody without paying him something. So, the payment is in two ways—

One is to take over liabilities. The total calculation of Shri Saugata Roy is quite right. It is already given in the Bill itself. But as far as Kosan gas is concerned, I may tell you that I have done it because of my basic belief that in such a crucial sector when the total work is being done by the oil companies, these concessionaries or intermediaries are a relic of the past Zamindari system in Industry which those foreign companies had introduced and we should better do away with them and under the law whatever possible could have been done, has been done.

Some questions have been raised by some hon. friends against nationalisation. I basically disagree with them. I am sorry I cannot agree with them that nationalisation means all losses. Not a single oil company is running in a loss.

MR. CHAIRMAN: They knew that you will not agree, therefore, they have already left!

SHRI H. N. BAHUGUNA: I am sorry they have left. All I can say is it is nothing other than removing the type of expenditure from the field of operation of oil trading, oil product trading and since it is all in the hands of the companies, oil companies, we

[Shri H N Bahuguna]

have also taken over. Similarly about the Domestic Gas and Parel, it is that we have not been able to sort out only their accounts with them. Therefore we are taking over management—Rs 750 in the case of one and Rs 250 per month in the case of another. Because for taking over management you have to pay some money—Rs 750 plus 250—Rs 1,000 for both the companies, which are serving more than perhaps about 1,25,000 subscribers is not much. There may be much more money out of that dealing. But we will certainly go into it. But if the Opposition is to advise me, I make a bold offer. Hon. Saugata Roy has left. I am willing to abide by Shri Vayalar Ravi if he could give me advice—I withdraw this Bill and continue to give work. I will follow suit. About Kosangas I am not saying bad things. The amount of their manipulations and all type of things, which have come to our notice with regard to the people whom they appointed as their sub-dealers, the way they treated them, the way they charge money from them and all these things under the existing law, the take over could have been done in the manner I have indicated—taking over their balance sheet and the total assets. On the basis of their balance sheet, such and such, we have just given Rs 10,000 to take over the whole thing.

All I can say is we are not a loser. So far as biogas is concerned, it is really dealt with by my colleague, the Agriculture Minister. In this country, the Energy Ministry is divided into different types of Ministries.

SHRI P RAJAGOPAL NAIDU My point is it should not be under Agriculture Ministry.

SHRI H N BAHUGUNA I agree with you. Biogas is a good answer to our requirements of energy. I do hope that the Government will do the needful. Solar energy, atomic energy and all energies must be used.

SHRI VAYALAR RAVI The Minister said that this is in the best interests of the country and we are prepared to accept it. But it is our duty to point out that this has created a suspicion whether the company is making a fraudulent effort on the Government and trying to put the whole burden on the Government.

SHRI H N BAHUGUNA I have already said that they want to keep it.

SHRI VAYALAR RAVI Secondly, I want to know whether provident fund and gratuity amounts have been misappropriated by the company and if so whether you will prosecute them for this crime.

SHRI H N BAHUGUNA Really I cannot say offhand that provident fund has been misappropriated by them. But the liability of provident fund, etc. has been taken care of and the workers will not be made to suffer. About the other aspect, I will refer to the Labour Ministry to find out whether the moneys have been deposited with the Provident Fund Commission as required by law.

SHRI VAYALAR RAVI What about prosecuting them if they have not deposited these amounts?

SHRI H N BAHUGUNA That is Labour Ministry's job.

MR CHAIRMAN I will put the motions for consideration of the two Bills together.

The question is

That the Bill to provide for the acquisition in the public interest of the undertaking of the Kosangas Company and thereby to secure that the ownership and control of the means and resources for bottling, transporting, marketing and distribution of liquefied petroleum gas are so distributed as best to subserve the common good and for matters connected therewith or incidental thereto be taken into consideration."

MR. CHAIRMAN: Now I will put the motion for consideration of the other Bill. The question is:

"That the Bill to provide for the taking over, in the public interest of the management of the undertakings of the Parel Investments and Trading Private Limited and the Domestic Gas Private Limited pending acquisition of those undertakings, with a view to maintaining a service essential to the life of the community, namely, the bottling, transporting, marketing and distribution of liquified petroleum gas, and for matters connected therewith or incidental thereto, be taken into consideration."

*The motion was adopted.*

MR. CHAIRMAN: Now we will take up clause by clause consideration of Kosangas Company (Acquisition of Undertaking) Bill. There are no amendments.

The question is:

"That clauses 2 to 20 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 to 20 were added to the Bill.*

*Clause 1, the Enacting Formula, the Preamble and the Title were added to the Bill.*

SHRI H. N. BAHUGUNA: I beg to move:

"That the Bill be passed."

MR. CHAIRMAN: The question is:

"That the Bill be passed."

*The motion was adopted.*

MR. CHAIRMAN: Now we will take up clause by clause consideration of Parel Investments and Trading Private Limited and Domestic Gas Private Limited (Taking over of Management) Bill. There are no amendments.

The question is:

"That clauses 2 to 16 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 to 16 were added to the Bill.*

*Clause 1, the Enacting Formula, the Preamble and the Title were added to the Bill.*

SHRI H. N. BAHUGUNA: I beg to move:

"That the Bill be passed."

MR. CHAIRMAN: The question is:

"That the Bill be passed."

*The motion was adopted.*

16.00 hrs.

#### ALIGARH MUSLIM UNIVERSITY (AMENDMENT) BILL

MR. CHAIRMAN: Now, we take up the Aligarh Muslim University (Amendment) Bill. The time allotted is 6 hours. I would suggest that we have 4 hours for general discussion, 1 1/2 hours for clause by clause consideration and half-an-hour for the third reading. Is that acceptable to all the Members?

SEVERAL HON. MEMBERS:  
Agreed.

MR. CHAIRMAN: The Minister.

SHRI G. M. BANATWALLA (Pon-nami): Madam, Chairperson, I rise on a point of order under rule 343. As you know, a Bill to amend the Aligarh Muslim University Act has already been taken up by this House and is already under discussion. It is a non-official Bill and I have moved in this House that the Bill be taken into consideration. This Bill has also been passed by the Rajya Sabha. This Bill, the non-official Bill,