

treating the water could be provided. But inspite of assurances no assistance from Central Government has been provided. So, I request the Government to provide immediate assistance to Government of Himachal Pradesh to control these diseases so that people could get relief.

(v) *Need to instal electronic telephone exchange in Jalpaiguri, West Bengal.*

[English]

SHRI JITENDRA NATH DAS (Jalpaiguri) : Sir, Jalpaiguri town is one of the oldest cultural and beautiful divisional towns of West Bengal. In this age at science and technology, manually operated telephone exchange is till to day working in Jalpaiguri town. It is practically non-functional and has failed to meet the demand of the people. Thanks to the Government that it is very much considerate to introduce electronic exchange. For this replacement, 78 KM underground cable work alongwith other necessary infrastructure, is about to be completed in Jalpaiguri town.

I urge upon the Government to take immediate action so that electronic exchange with modern equipments ILT-2048 may be started within this year itself.

(vi) *Need to confer citizenship rights on refugees from East Pakistan settled in Pilibhit district of U.P.*

[Translation]

DR. P. R. GANGWAR (Pilibhit) : Mr. Speaker, Sir, I would like to raise a matter under Rule 377. In 1955 refugees from East Pakistan came to my Parliamentary Constituency Pilibhit. They have not been granted Indian citizenship. Names of some of them were included in the voters lists of 1964-65 but later on their names were deleted from the voters lists with the result that they are deprived of Government assistance like grants, scholarships granted to Scheduled Castes and Scheduled Tribes in the absence of caste certificates. I request the Government to grant Indian citizenship to all these refugees.

(vii) *Need to provide financial assistance from Prime Minister's Relief Fund to the next of kin of those who lost their lives in recent boat accident in Amalapuram, Andhra Pradesh.*

[English]

SHRI G. M. C. BALA YOGI (Amalapuram) : In Gogulanka village of Palavarin Mandal of my constituency, that is, Amalapuram of East Godavari District of Andhra Pradesh on July 13, 1991 there was a tragic boat accident in which 13 people lost their lives. While they were going to their work, the incident took place. They were all poor people, scheduled castes, agriculturists, men, women and children. I request the Honourable Prime Minister to provide some kind of financial assistance to the poor people from the Prime Minister's Relief Fund.

12.59 hrs.

DISCUSSION UNDER RULE 193

ESCAPE FROM THE CUSTODY AND SUBSEQUENT DEATH OF SHRI SHANMUGAM, AN ACCUSED IN THE RAJIV GANDHI ASSASSINATION CASE (Contd.)

[English]

MR. SPEAKER : The Hon. Minister Shri Chavan will now reply to the discussion.

THE MINISTER OF HOME AFFAIRS (Shri S. B. Chavan) : Mr. Speaker, Sir, I rise to clarify some of the points which the Hon. Members raised on the discussion about the suicide committed by Shri Shanmugam, who is supposed to be one of the persons who gave very important information about unearthing of large number of explosives and other material.

SHRI BUTA SINGH (Jalore) : Mr. Speaker, Sir, the Hon. Minister has already used the word 'suicide'. Has the Government come to a conclusion that it was definitely a suicide ? Still the inquiry is going on.

MR. SPEAKER : Alleged suicide.

SHRI S. B. CHAVAN : Thank you for this correction.

SHRI RAM NAIK (Bombay-North) : The former Home Minister is correcting the present Home Minister.

SHRI S. B. CHAVAN : That is why, I am thanking him.

Sir, firstly I would like to remove any kind of misunderstanding that there has been some kind of non-cooperation between the Government of Tamil Nadu and the SIT.

13.00 hrs.

Some of the Hon. Members had been persistently enquiring whether in the room in which Shanmugam was taking his meals, the police officers who were there, belonged to the Tamil Nadu Police or the CBI. In fact, I am going to reply to that aspect also. But at the outset I would like to remove this misunderstanding that there has been some kind of improper coordination between Tamil Nadu Police and the Special Investigation Team. They have provided all the help and assistance that is required for conducting the inquiry by the Special Investigation Team.

The composition of SIT was one of the issues which was raised by some of the Hon. Members. I would like to inform the House that Mr. Kartikeyan, IGP CRPF, is the head of the team assisted by four DIGs, six SPs, 14 Dy. SPs, 33 Inspectors and other supporting staff. Of this, except one DIG, one SP, 2 Dy. SPs, 6 Inspectors and 4 Sub-Inspectors, the rest are drawn from CBI. This is the composition of the Team and they are inquiring into the matter.

Another question raised was about the cooperation between Sri Lankan Government and the Government of India. A team led by the Director of CBI had gone to Sri Lanka after the assassination of late lamented Shri Rajiv Gandhi. It has been inquiring about certain matters from Shri Lankan Government. I must say that the 2965 LSS/92—18

Sri Lankan Government was giving full help and assistance in the matter. It is a different matter that they do not have their presence in the areas of Jaffna. That is our difficulty. But whatever other information is required from Sri Lankan Government they are fully cooperating with the Government of India.

One of the Hon. Members asked a pertinent question as to why the CBI team is giving publicity. I am in full agreement with him that this is a very wrong thing to do by the CBI. The SIT should not give publicity about whomsoever they arrest and the kind of material which, in fact, comes into their hands as a matter of seizure. But everyday some report or the other definitely appears. This morning only I have again given instructions to the Special Investigation Team that they should avoid giving publicity to very sensitive matters. This is a very sensitive matter and I do not think that they should indulge into this kind of a thing.

About the Shanmugam incident, I must say that I had a long discussion with the Special Investigation Team. I tried to find out from them whether the Special Investigation Team is in a position to give such information which, in fact, is very relevant for a number of things which the Hon. Members stated on the floor of the House.

One of the things was in the room where Shanmugam was taking his meals, how many people belonging to the police were present there. There were not just two constables but there were others also who were present and they had arms with them. When these two constables gave an alarm saying that Shanmugam was trying to run away, the relevant factor which arises will be whether the armed police opened fire not with a view to kill the person but with a view to injure him in such a manner that he is not able to run away. Somehow, I must admit before this House I was not fully satisfied by the reply which was given to me by the Special Investigation Team and that is why Additional Director was specially sent there to go deep into the matter and try to find, get explanation on all issues about which Hon. Members have

raised doubts, fix the responsibility and thereafter take action against them. I do not think that I can possibly say anything more on some of the issues which were raised about this point. A point was also raised whether the family members were enquired of about Shanmugam. After running away where did he go? The family members were called to the police station at Vedaranyam. There the family members gave the information that they were not aware as to where he had gone? He had a tendency for committing suicide, that was the information that his wife gave. Thereafter it is a different matter that she sent another telegram saying that CBI had killed her husband. But the fact still remains and we have made enquiries not only with his wife but also with other members of the family.... (*Interruptions*).

There was another point which was raised by one Hon. Member and that was with respect to Dog Squad. It was stated that the dog went to his father-in-law's house which, in fact, is not correct. He went to his brother-in-law's house and there he stopped, later on came back and he stayed at the place where he hanged himself. The brother-in-law was not there in the house. Where from did he get his lungi?.... (*Interruptions*). He was having a white lungi and a white banian. But somehow his white lungi got entangled into a thorn-bush and that is why the white lungi was not there. Banian was thrown away because he thought that the white banian will be able to identify the person. That is why it was found in the dry canal.... (*Interruptions*).

SHRI SAIFUDDIN CHOUDHURY (Katwa) : What about the post-mortum report?

SHRI S. B. CHAVAN : I will just come to that. A question was asked whether I have a confidence in the Special Investigation Team. I can say without any fear of contradiction that these are very eminent people whom we have chosen and I have full confidence in their efficiency and with the confidence of those people, I am sure, they will be able to do their job properly.

SHRI SOMNATH CHATTERJEE (Bolpur) : In your fairness; you expressed your dissatisfaction about the way they are handling although they are supposed to be a very efficient.

SHRI S. B. CHAVAN : This is an isolated instance where I have candidly accepted that this thing has gone wrong and responsibility needs to be fixed. But, so far efficiency and confidence is concerned, I have full faith that they will be able to discharge their duties because within a period of two months after the assassination of Shri Rajiv Gandhi, they have been able to examine about 232 witnesses, searches were carried out under Section 165 of the Criminal Procedure Code at 42 places which resulted in the seizure of large number of incriminating documents. As of now only two main accused persons Sivarasan and one lady Subha remain to be arrested. The Special Investigation Team is after them and we are sure that they will definitely succeed in arresting them also, provided we get cooperation from all those who are concerned.

I must say at this stage that we have to create conditions in which the Special Investigation Team needs to be given some kind of a fillip in their morale. Instead of doing that, if we try to demoralize them and say that this SIT is of no use, I am sure that this will have a very bad effect on the total investigation. If they commit a mistake, I will admit that they have committed a mistake, but, at the same time,.... (*Interruptions*).

SHRI E. AHAMED (Manjeri) : Sir, I fully agree with what the Hon. Minister has said with regard to the confidence that he has in SIT. But after this Shanmugam incident, there is a needle of suspicion against some of the officers or the personnel in the Investigation Team. Will the Hon. Minister consider to keep them out from the totality of the inquiry?

SHRI S. B. CHAVAN : Sir, I do not think we should take serious note of it. The Additional Director will be able to find out as to who is the person involved. If anyone is found guilty in that, I can

assure the House that we will not spare him, whosoever he might be. Even if he is a higher person, certainly he will not be spared because this is a very important matter where we cannot possibly take any chance.

About the *post mortem* report, I am not a technician and I cannot possibly say what the doctors have said, but here is a full report which was given by three officers— one by Dr. Amrit Patnaik, Director-Professor, Institute of Forensic Medicines, Madras Medical College, Madras; second is an extract from a final opinion recorded in the *post mortem* report by Dr. S. Rajendran, Dr. Subbaiah and Dr. D. Rajendran of Government Hospital, Nagapattinam; and the third one is by Dr. T.D. Dogra, Additional Professor and Head of the Department of Forensic Medicines and Dr. D. N. Bhardwaj, Senior Resident Doctor in the Department of Forensic Medicine, All India Institute of Medical Sciences, New Delhi. I will read the report for the information of the House so that if the Hon. Members have any doubts. . (*Interruptions*)

SHRI JASWANT SINGH (Chittorgarh): The conclusions will suffice, why read the whole report ?

SHRI S. B. CHAVAN : They have come to the conclusion that it is a suicide. Everyone of them says that it is definitely suicide and he was not killed, and that no other conclusion from the *post mortem* report can be drawn.

Some doubt was expressed whether the doctors who carried out or conducted this *post mortem* were qualified. Even the experts of the All India Medical Sciences Institute are saying that they were competent. They had taken full precaution. The entire thing was sent to Madras and got examined and everyone feels quite sure that excepting suicide, there is no other conclusion which can be drawn.

[*Translation*]

SHRI MADAN LAL KHURANA (South Delhi) : Suicide or murder. How

the doctors can decide whether it was a suicide or a murder ? They can only decide that it is a case of hanging. They cannot decide whether it is a murder or it is a suicide.

SHRI S. B. CHAVAN : They can decide it because bones are examined in these cases. Besides, effect on throat is also examined. After examining these things, they can find out each and everything. This is a technical method on the basis of which the doctors can draw a definite conclusion as what actually happened ?

(*Interruptions*).

[*English*]

This was a very important issue on which all the Hon. Members were very much perturbed. The point whether Shri Shanmugam was killed or whether he had committed suicide, was referred by several Hon. Members in their speeches. That is why I have not only got the forensic laboratory's report and other doctors' report from Madras but also got them again rechecked from All India Institute of Medical Sciences. That is why I do not, at least, find any justification to suspect as to why this report should not be relied upon.

SHR TARIT BARAN TOPDAR (Barackpore) : The forensic report cannot determine whether he was hanged to death or he had committed suicide. (*Interruptions*)

SHRI S. B. CHAVAN : I am not a doctor myself. The whole thing is there in the reports. (*Interruptions*)

MR. SPEAKER : Please do not carry on discussion on this point because this is an expert's opinion. It has to be established in a court of law. This is an expert's opinion. (*Interruptions*)

SHRI S. B. CHAVAN : You are very much right. It has to be established in a court of law. (*Interruptions*)

SHRI BUTA SINGH : My request to the Hon. Minister is let him not give details as Home Minister that it is a suicide.

[*Translation*]

SHRI MADAN LAL KHURANA : I agree with Buta Singhji that the Home Minister of the country should not make a statement here about a point of fact which is to be established in a court of law. (*Interruptions*)

[*English*]

SHRI S.B. CHAVAN : I got it doubly checked from All India Institute of Medical Sciences. (*Interruptions*)

This is an expert's opinion. I am not an expert.

SHRI SOMNATH CHATTERJEE : I am not questioning what you have read out. It is an expert's opinion. I would like to know what is going to the court. (*Interruptions*)

MR. SPEAKER : Whatever we say on the floor of the House, or whatever the doctor says—it has to be finally decided by the court. (*Interruptions*)

SHRI SOMNATH CHATTERJEE : This issue is not going to the court. (*Interruptions*)

MR. SPEAKER : It has to be decided by the court as to whether the opinion given by the doctor can be accepted or not. This is an expert's opinion. This has to be decided by the court. Let us not carry on discussion on that. (*Interruptions*)

MR. SPEAKER : Please take your seat when I am standing. Please, let us not carry on discussion on this point because we are not competent to decide whether it is one way or the other. Now it has to be decided by the court when the case comes to the court. It is an expert's opinion.

SHRI S. B. CHAVAN : With your permission, Sir, I will just read the last portion of the expert's opinion. (*Interruptions*)

SHRI FRANK ANTHONY (Nominated-Anglo-Indian) : May I ask a few important questions ? Who were the people who first

discovered his body ? Was it CBI people or was it the local police who did it ? Why were the local police personnel arrested ? How was it that the most elementary precautions and safeguards were not taken ? I am told it is terrain area and safe. Why were the normal elementary safeguards like frisking and metal detectors not there ? Had they been there, this woman could not have gone there. Nobody could have got anywhere near Rajiv.

SHRI SOMNATH CHATTERJEE : He is talking about Rajiv Gandhi's assassination.

SHRI TARIT BARAN TOPDAR : My point is not answered. The forensic report has got nothing to do whether he was hanged to death or he committed suicide.

SHRI S. B. CHAVAN : Sir, one more point and I have done. That is about the terms of reference of the Justice Verma's Commission of Inquiry. This Commission of Inquiry was appointed to enquire and go into the details. We had three terms of reference about which Mr. Justice Verma has given his opinion that on two terms of reference he has no objection and he will conduct the enquiry and find out the details.

But he says that 'the conspiracy part of it is a matter on which I will not be able to throw any light' and that is why it was difficult for him to accept the third term of reference.

Now, at the highest level there has been correspondence going on, also a personal discussion with the Chief Justice of the Supreme Court of India, and we are trying to sort out the issue, but we are still not satisfied. If it comes to that, it will mean the appointment of another Judge to inquire into the conspiracy part of the entire thing.

A point was raised... (*Interruptions*). Just a minute. Let me finish my reply. Everybody is trying to spring up and ask me something during the course of my reply. It is not a correct procedure. After I have finished, if you have any doubt, certainly you ask me, I will try to clarify.

Sir, one Hon. Member made a statement that I have made a very irresponsible statement in the Rajya Sabha. Normally what I said in the Rajya Sabha I need not quote here. But I will request the Hon. Members one thing. We have in fact very serious doubts in our minds though at this stage I cannot possibly say that I have some evidence or some clue which can establish; if that was so, the Commission immediately would have been just at it.

In Indira Gandhi case, the immediate people who killed Indira Gandhi, they could be found out. In the case of Shri Rajiv Gandhi's assassination also, those who have been responsible for killing him, definitely they will be found out. At least I have no doubt about it, but at the same time our responsibility is to find out as to who are the people behind the entire thing. If we fail in doing that, then again I consider that we will be failing in our duty; it will be our endeavour, how far we are going to succeed is a matter on which I cannot possibly assure this House. After 15-20 years, there have been cases where people themselves admitted that we are involved in the assassination of a particular person'. I won't be surprised if some kind of thing were to come to light after some time in these cases also, but we will try our level best to see whether we can unearth any kind of conspiracy, the hand behind the whole thing. Whether they were agents or whether they were themselves responsible for doing this is a matter which will have to be thoroughly gone into and that is why it is the third term of reference. If Justice Verma is not agreeable to accept it, we would rather go in for appointment of a retired Chief Justice or a Judge of a High Court and see that he goes deep into the matter and gives a report to the Government as to who are the persons whom he considers as responsible in these cases. I have done now.

SHRI RAM NAIK : I have only to say that the description of Mr. Shanmugham as a well-known smuggler should be changed because it is a bad habit to keep it like that.

SHRI S. B. CHAVAN : I am in agreement with you.

SHRI LAL K. ADVANI (Gandhi Nagar) : Sir, the Home Minister while he was replying started reading out the post-mortem report and some Members said that 'it is an expert body, he need not'. But I would suggest that it would be in the interest of every one if the copy of the post-mortem report is placed on the Table of the House so that it becomes a public document and it can be seen by everybody.

MR. SPEAKER : It is a public document, it goes to the court, it is given to the accused. There is no difficulty about it.

[*Translation*]

SHRI CHANDRA JEET YADAV (Azamgarh) : Mr. Speaker, Sir, yesterday, when I had expressed my views in this connection, I draw the attention of the Hon. Minister to two points but he has not even referred to those two points in his reply. One thing which I had said was that the Government was aware that Shanmugam was a smuggler with wide influence and he had given vital information to the Government. Such a man as was giving the most valuable information, should have been kept in maximum possible security. Was there proper police arrangement outside the Dak bungalow where he was kept, particularly when he was taken there in a helicopter in view of his importance in the investigation ? My second point is when you have said that there is some external hand in the incident. (Interruptions). Now you are telling that Justice Verma is not willing to conduct the enquiry. In the circumstances do you have any intention to hold the enquiry to be conducted by any other judge in place of Justice Verma ?

(*Interruptions*)

[*English*]

Let the Home Minister reply to it.

SHRI E. AHMED : Mr. Speaker, Sir, it is the personal liking of the judge to agree or disagree for such an inquiry. Here, in this case, Justice Verma has already agreed to conduct the inquiry under the Commission of Inquiry Act. Under the Commission of Inquiry Act, the Commission would

naturally report back to the Government in matters like remedial measures to be taken. Therefore, when the terms of reference have been widened, I do not think there is any specific reason for the judge to disagree to take this matter under his inquiry. Has he mentioned any specific reason for refusal to conduct inquiry. (*Interruptions*)

[*Translation*]

SHRI BUTA SINGH (Jalaur) : Mr. Speaker, Sir, I would like to seek clarification from the Hon. Minister in regard to a very minor doubt which I have. You have found out a very good solution, whatever the statement has been given, even after it, the court has to give its findings (*Interruptions*). One doubt still remains. The Hon'ble Minister has said just now that there was not even a single constable of the Tamil Nadu Police in the room among the constables present there. (*Interruptions*)

SHRI S. B. CHAVAN : I have not said so. (*Interruptions*)

SHRI BUTA SINGH : It is your statement. (*Interruptions*)

[*English*]

MR. SPEAKER : That is a legal position.

SHRI BUTA SINGH : He stated that two constables who were present in the room do not belong to Tamil Nadu Police.

SHRI S. B. CHAVAN : The two unarmed constables belonged to Tamil Nadu Police. (*Interruptions*).

[*Translation*]

SHRI BUTA SINGH : Sir, this is the only trouble. Had the statement been a written one, we would have had something positive. I would like only to ask the Hon. Minister whether it means that Tamil Nadu Police has completely nothing to do with the case ? (*Interruptions*)

SHRI S. B. CHAVAN : No, No. I did not say that. (*Interruptions*)

SHRI BUTA SINGH : Mr. Speaker, Sir, there is no mention either of their arrest or of S.I.T. in the statement. We may take it that only S.I.T. may handle the case. Chandra Jeetji has said that he was a most sensitive and most crucial witness and that is why he was brought in a helicopter, as per the statement. It would have been better if the operation was handled by S.I.T. If Tamil Nadu Police is involved in the case, its role has not been referred to. It appears to me from today's statement that there is no role of Tamil Nadu Police and if at all there is some role, it should be looked into. Secondly, it is the first time, we are seeing that S.I.T. also goes to press and the statements of the Hon. Justice also appears in the press. The Hon. Minister should tell the House as to how he would be able to exercise his control over all these things. (*Interruptions*)

[*English*]

SHRI SOMNATH CHATTERJEE (Bolpur) : Mr. Speaker, Sir, Shri Shanmugam had surrendered to the police so far as I have been able to understand and he was arrested thereafter. Why was he taken to Dak Bungalow and not to the police custody ? Why was he given the special treatment in the Dak Bungalow where there were obviously no security arrangements ?

SHRI BRIJA KISHORE TRIPATHY (Puri) : Mr. Speaker, Sir, yesterday, Justice Verma had written a letter to the Chief Justice of India and it has been reported in the Press. The Minister has stated that Justice Verma is not willing to accept the enlargement of the terms of reference. This is not a fact.

MR. SPEAKER : What the Hon. Minister has stated on the floor of the House has to be taken.

SHRI K. RAMAMURTHEE TINDIVANAM (Tindivanam) : About the suicide theory, I am not questioning. But I would like to know if the Government has ruled out that it is not a forced suicide.

MR. SPEAKER : Legal points cannot be discussed here. I am not allowing such legal points to be discussed. They are to be discussed in the court of law.

SHRI K. RAMAMURTHEE TINDIVANAM : I am on a different point. Yesterday, I had made mention about one Subha Sundaram who has been arrested. He has very high political and non-political links. In view of what happened to Shanmugam, I want to know from the Hon. Minister whether precautions would be taken to see that the same thing does not happen to Subha Sundaram.

SHRI ANBARASU ERA (Madras Central) : I doubt the conclusion of the Hon. Minister.....

MR. SPEAKER : The Hon. Minister has not come to any conclusion. He has just given the facts to the House.

SHRI ANBARASU ERA : What I feel is.....

MR. SPEAKER : You do not have to feel. He has given the facts.

SHRI ANBARASU ERA : When a person had voluntarily surrendered, why did he want to escape and commit suicide? Even if he has escaped, he would have gone somewhere to a distant place. If at all he wanted to commit suicide, he would have committed suicide only in the house.

MR. SPEAKER : Mr. Anbarasu, I am not allowing this. This is not a court of law. These things cannot be decided on the floor of the House. They have to be decided in the court of law. Please take your seat.

*(Interruptions)**

MR. SPEAKER : I am not allowing Shri Anbarasu. This is not a court of law. The Hon. Minister has not come to any conclusion. He has just given the factual information. Let there not be any doubt about it.

*Not recorded.

SHRI K. V. THANGKABALU (Dharmapuri) : Yesterday, I asked the Hon. Home Minister with regard to the State police, the S.P. of the district went to the bungalow and he was refused by the CBI officers. This was the statement made by the State police. With regard to this, I asked the Hon. Home Minister yesterday as to who was the S.P., what was his name and with what connection he went there and why he was refused to meet the officials or meet Mr. Shanmugam.

MR. SPEAKER : We do not disclose the name of the officer here.

SHRI K. V. THANGKABALU : This is a very serious point. I want to know why he was refused to meet the CBI officials and Mr. Shanmugam. Who was the person? What was the motive behind that?

SHRI S. B. CHAVAN : About the first part, I have clearly stated that in the composition of the team of S.I.T., Tamil Nadu officers are also there. Excepting the two constables who were belonging to Tamil Nadu Government, rest of the people who were there in the bungalow were from CBI.

I am myself not being satisfied about the entire thing because why precautionary measures were not taken; why the firing was not opened when he was trying to run away. Then, his dhoti was getting entangled into thorn-bush. Why have they not resorted to firing with a view to injure him so that he does not succeed? All these are matters which require enquiry. In fact, I am myself not satisfied. That is why, special officer had to be sent from here. He will go over there. He will stay there and enquire into the matter for almost three months. He will see to it that the enquiry is completed. After the enquiry is over, he will come back.

He is the additional Director who will be in-charge of this. He will be supervising as to whether things are going properly or any lacuna is left.

I cannot possibly reply to all the points which the Hon. Members have enquired into. One Hon. Member has asked the question, why he was brought to the bun-

galow. In fact, the reason is, a number of things were unearthed. It was only in the vicinity that a large number of very high frequency transmitter sets were seized.

Huge amount of petrol was also seized exposing huge quantities. They were also unearthed from that area and, that is why, he was brought by helicopters to that place. That is the only explanation that I have from the Officers.

I do not think that I can refer to any other point.

I tried to get the information from one of the SPs who came there but somehow I could not succeed.

13.35 hrs.

The Lok Sabha then adjourned for Lunch till thirtyfive minutes past Fourteen of the clock.

14.39 hrs.

The Lok Sabha re-assembled after Lunch at thirty-nine minutes past Fourteen of the Clock.

(Shri Sharad Dighe in the Chair)

THE BUDGET (GENERAL) 1991-92—

GENERAL DISCUSSION—Contd.

[English]

MR. CHAIRMAN : The House will now take up further General Discussion on the Budget.

Prof. K. V. Thomas to continue.

PROF. K. V. THOMAS (Ernakulam) : Sir, I now come to our Public Sector. There are 248 Public Sector companies in this country where a sum of Rs. One-lakh-three-thousand crores are invested. Out of these 248 public sector companies, only 20 are profit making companies; 98 companies have implicit losses; 101 companies have got explicit losses; and 29 companies are running on a no-profit-no-loss basis. After making such a huge in-

vestment in the public sector, if you look at the profit and loss, the aggregate annual profit of the profit-making enterprises is Rs. 5000 crores while the aggregate loss of the loss-making enterprises is Rs. 1,500 crores, that is, the net profit from 248 public undertakings is only Rs. 3,500 crores which is just 3.5 per cent of the profit. For running this, either the public sector company or the Government have to issue bonds where the percentage of interest is 11. And if these companies are taking financial aid from the bank, the percentage of interest that has to be given to the bank is 17 to 18. This is the scenario.

I would like to take, for example, the coal industry. Before the coal sector was nationalised, the total investment in this sector was of Rs. 47 crores. It employed half a million workers. Its aggregate production was 78 million tonnes and the cost per tonne was Rs. 37.05. After nationalisation, Rs. 6000 crores were invested. Even though the production has doubled the price of coal has gone from Rs. 47.50 to Rs. 238 per tonne. I am pointing out the state of one central public undertakings.

Coming to the State sectors, the accounts of nearly 50 per cent of the state level enterprises have not been audited for the last five years, and the State Governments do not know what is their actual financial position. When we want to save the public sector, we have to go in depth into their problems. Now, at present, the public sectors are the sum total of mismanagement, inefficiency, inadequate quality, wastage of resources, lack of productivity and irresponsibility towards the public and the Government. What are the reasons? In this country, a politician can become a MLA, an MP, a Minister or even a Prime Minister. But what do we do of those people who either lose the elections or who do not get the tickets? They are made the chairman of the public sector companies. And what is their efficiency to run these public sector undertakings, you have to think about it. We, the politicians have got a particular category of