

of these films, and if so, what efforts are being made to replace them with indigenous ones ?

SHRI F. A. AHMED : We are increasing the production, and to the extent we are able to manufacture, import has been reduced.

As regards Shri Rang's question, in due course the Public Undertakings Committee will examine it.

SHRI RANGA : 'In due course' will be in another three or four years.

SHRI TENNETI VISWANATHAM : May I know whether there are manufacturers in the private sector whose applications have been pending and whether any encouragement is being given to them ?

SHRI F. A. AHMED : I require notice.

SHRI BUTA SINGH : Last time when we visited this undertaking, we were told that the collaborators were not co-operating in bringing out proper materials. Has that difficulty been removed by now ?

SHRI F. A. AHMED : There was some difficulty at one stage because there was change of collaboration in France itself. Now the collaborator who has entered into an agreement has got partnership with an American firm. This matter was also discussed by me recently in Paris and the position has improved since then.

BENNETT COLEMAN & Co., LTD.

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*242. **SHRI P. RAMAMURTI :**
SHRI E. K. NAYANAR :
SHRI P. GOPALAN :
SHRI NAMBIAR :
SHRI JYOTIRMOY BASU :
SHRI C. K. CHAKRAPANI :

Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state :

(a) whether Government have in the recent past received any representation from the employees of the Times of India, Bombay, a concern of M/s. Bennett Coleman & Co. Ltd., against the Chairman of the Company;

(b) what are the main points mentioned in the representation; and

(c) whether Government propose to investigate the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI RAGHUNATH REDDI):

(a) Yes, Sir.

(b) The main points mentioned in the representation are as follows :

(i) It has been alleged that the Chairman of the Company persuaded the workers to accept 6.06 per cent of the total earnings of the company as bonus for 1965 and assured that interim relief would be paid to the employees as recommended by the Wage Board, but subsequently he backed out of his commitment with regard to the payment of interim relief. It is alleged that for 1966 bonus has been provided at the rate of 4 per cent.

(ii) The Chairman of the company is alleged to have received from Shri and Smt. S. P. Jain two lakhs of rupees in cash for meeting his election expenses.

(iii) Instead of giving the insurance business to New India Assurance Co. Ltd., the Chairman decided to continue the business with Universal Fire & General Insurance Co. Ltd. As a result the Times of India Co-operative Stores has been deprived of commission of over Rs. 30,000/-

(c) The allegation at (i) above concerns the State Government to whom copies of the representation have been sent by the complainant himself. Allegation (ii) above is being enquired into. Regarding the allegation at (iii) above, enquiry made into the matter reveals that the Oriental Fire & General Insurance Co. Ltd. paid commission in respect of the insurance of Times of India building at New Delhi for two periods, namely 12-1-1965 to 12-1-1966 and 12-1-66 to 12-1-1967 to the Times of India Employees Co-operative Credit Society Ltd. As regards the current period, namely 12-1-1967 to 12-1-1968, no commission has been paid to the said Society. Though the licence under which the Times of India Employees Co-operative Credit Society is authorised to work as insurance agent is valid up to 12th January, 1968, the Chairman of the company has taken the view that the Society cannot be appointed as agent since it did not have the authority to work as an agent under its bye-laws.

SHRI P. RAMAMURTI : What was the investigation made by the Company Law

Administration of the Government of India with regard to the allegation that bonus was agreed to be paid at 6% and was not actually paid ?

SHRI RAGHUNATH REDDI : As far as this aspect is concerned, I have already stated that a report has been made to the State Government, and the State Government is pursuing this matter.

SHRI P. RAMAMURTI : With regard to the appointment of the co-operative society as agent for insurance purposes, the company law may not provide for it, but does the company law specifically prohibit the co-operative society acting as an agent of an insurance company so that it might get the benefit of the commission ?

SHRI RAGHUNATH REDDI : As far as the company law is concerned, it does not deal with matters of this type. The Co-operative society must have been registered under the Co-operative Societies Act, and from the records we find that it has been appointed as an agent of the insurance company and for two periods, 1965-66 and 1966-67 and it had been paid commission. The Board of Directors at a subsequent date, when they met and considered the whole question, divided the entire insurance premium into different categories, 20% to the Universal and the rest of the 80% for three companies including Universal Fire, and this was the order made by the Board of Directors, but still at a subsequent date when the matter went before the Chairman for his orders, the Chairman seems to have changed his mind and passed an order that this commission cannot go to the co-operative society. Obviously he must have reviewed the case and taken the view that the insurance cannot be done through the co-operative society on the strength of the opinion he must have formed that the by-laws of the society do not allow the society to transact such business.

SHRI E. K. NAYANAR : May I know whether it is a fact that with the appointment of the new Chairman the state of affairs in the concern has further deteriorated and, if so, what steps do the Government propose to take to improve the situation. Secondly, in the answer, the hon. Minister himself has stated that Rs. 2 lakhs have been received by the Chairman of the

Company from Mr. and Mrs. Jain. I want to know the attitude of the Government as regards that aspect of the matter also.

SHRI RAGHUNATH REDDI : As far as the first part of the question is concerned, I want to bring it to the notice of the hon. Member that Dr. Cooper was appointed as the first Chairman of this company by the orders of the tribunal and after he had resigned, the present Chairman, Mr. Kunte, had been appointed in his place. It is not open to the Company Law Board to go into this matter. The next question of the hon. Member also forms part of the first question; I may very humbly submit to the hon. Member that several matters are pending, in the nature of litigation, before the high court under various sections of the company law and it would not be proper for the Government to go into the character or conduct of the Chairman or his activities regarding them because several matters are pending before the high court. You will appreciate that it is not proper on our part to say anything about it.

SHRI P. GOPALAN : Mr. Nanpuria, the former Editor of the *Times of India*, and Mr. Hariharan, a high official in the company, left the company because of the new state of affairs prevailing in the company especially after the appointment of the new Chairman. I would like to know from the Government whether any reports to this effect have been received by the Government from the directors who have been appointed, apart from the Chairman of the company ?

SHRI RAGHUNATH REDDI : As far as the circumstances under which these members who have been mentioned by the hon. Member have been appointed or who have left, are concerned, the Government needs notice for the purpose of finding out information. As far as the second aspect is concerned, with your permission, I may again repeat that various matters touching this question are pending before the high court under section 388(3) of the Company Law, and it is not proper for the Government to say anything in this matter.

SHRI JYOTIRMOY BASU : In regard to this insurance commission, may I know who was handling this business before the takeover and who is now handling the business and who is now enjoying this

commission and is that person in anyway related to the Chairman ? Secondly, what was the promised bonus to the employees and how much has been actually given ?

SHRI RAGHUNATH REDDI : The actual commission which the co-operative society was getting was about Rs. 30,000, and during 1965-66 and 1966-67, the Universal Fire & General Insurance Co., was dealing with this matter, and the co-operative society was getting the commission. It is rather difficult for me to say now, at this stage, when this question is put, whether the Chairman is related to that person.

SHRI JYOTIRMOY BASU : I know it is very inconvenient to you.

SHRI RAGHUNATH REDDI : If the hon. Member is interested, we will enquire into the matter. (*Interruption*).

SHRI JYOTIRMOY BASU : Who is the person at present handling the business and is that man related to the Chairman ? Why avoid this question ? I know it is very inconvenient for you; and that is what provokes the House.

SHRI RAGHUNATH REDDI : As far as the payment of insurance premium is concerned, it had been ordered by the Chairman in consultation with the directors. I have already stated that the Board of Directors have passed a resolution authorising the commission to be paid to the co-operative society; and contrary to that, the Chairman had taken on himself and passed an order and he had taken the consent of other directors to make it legal. Therefore, it is not for me to say.... (*Interruption*).

MR. SPEAKER : He has made it very clear.

SHRI JYOTIRMOY BASU : Who is the present commission agent who is enjoying the commission in the insurance business ?

MR. SPEAKER : He has made it very clear.

SHRI JYOTIRMOY BASU : He has not made that clear, Sir.

MR. SPEAKER : He has clearly stated that the Board of Directors passed some resolution.

SHRI JYOTIRMOY BASU : Who is the person, the present beneficiary, and is he related to the Chairman ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED) : We want notice to find out who is the recipient, because it is not known to us. We shall ascertain what relationship he has with the Chairman.

SHRI C. K. CHAKRAPANI : Apart from the Chairman, may I know who are the other persons appointed by the Government as Directors of the Company ? May I know whether the Government directors have made any assessment of the working of this company and whether the Government have arrived at any conclusions, and if so, what are they ?

SHRI RAGHUNATH REDDI : The Government Directors are Dr. Hazare and Prof. S. K. Bhattacharya. They are men of very High status and independence. They have done very notable work.

SHRI A. V. PATIL : May I know whether the minister has discussed the matter with the Chairman, who is an hon. member of this House ?

MR. SPEAKER : Also an hon. Member of the opposition.

SHRI RAGHUNATH REDDI : Though the suggestion is very desirable, I humbly submit that since various types of litigation are pending, it is perhaps not advisable to raise the question with the Chairman, because we do not know what shape the litigation will take.

SHRI D. C. SHARMA : I think the questions that have been put and the answers given show that the whole thing has been an exercise in futility. The Government cannot do anything so far as the Chairman or the co-operative society or the High Court proceedings are concerned. Therefore, where does the Government of India come in and how it is going to redress the grievances of the employees of the *Times of India* ?

SHRI F. A. AHMED : The Government comes in because some information has been sought and we have supplied the information.

SHRI S. KUNDU : All of us know that this company controls a chain of newspapers. In this House and elsewhere definite pronouncements have been made that small newspapers should be encouraged. Is it a fact that in Ahmedabad this company is going to start a third edition of the newspaper, *The Times of India* and without applying for additional quota of paper, it is getting paper from the Bombay edition and starting this newspaper? At Ahmedabad there is a paper recently started called the *Western Times of India*, and the attempt is to curb the initiative of the working journalists who have started this paper.

SHRI RAGHUNATH REDDI : Although this does not arise directly from the main question, I may inform the House that this matter has been brought to the notice of Government and the company law administration is studying the implications of it.

SHRI DATTATRAYA KUNTE : Sir, on a matter of personal explanation. I happen to be the Chairman of that Company, to which I was appointed by the Company Law Tribunal.

श्री मधु लिमये : इस में बहुत समय लग जायेगा । अध्यक्ष महोदय, माननीय सदस्य को बाद में मौका दीजिये ।

MR. SPEAKER : He will take only one minute now.

SHRI DATTATRAYA KUNTE : In reply to a question whether any representations have been made, the hon. Minister was pleased to state that it is alleged that the Chairman has received Rs. 2 lakhs from the Jains for his election. I fought my election and I filed my election return, which will indicate how much money I have spent for the election. Secondly, as far as the question of taking any money from the Jains is concerned, I have not taken any money from the Jains, because I was not interested and I did not need any money of theirs. Coming to the question of the co-operative society not getting the commission or the commission going to relations or persons known to me, it is the insurance company which has got the business directly. Therefore, no commission agent is involved. I do not even know who the managers or the directors of that company are. Regarding the question of the bye-laws, a

point was raised to me that this co-operative society did not have the permission under the bye-laws to get that business. I asked the co-operative society to look into the matter. They wrote back saying that they did not have such a bye-law. I intimated to them that they might get that bye-law passed and, till then, by law I was prevented from giving them that business. Then, as regards Shri Nanpooria, he left of his own accord. Since he got a better job in Malaysia, he came and requested me that he should be relieved as early as possible. So far as cases pending in the High Court are concerned, there is no case against either the Chairman of the Company or against Shri Kunte as Chairman of the Company.

C.B.I. INVESTIGATION INTO IMPORT OF TYRES FROM HUNGARY

*244. **SHRI N. K. SANGHI :** Will the Minister of COMMERCE be pleased to state :

(a) whether the Central Bureau of Investigation have completed the scrutiny as regards the appointment of M/s. Ramkrihan Kulwantrai as agents for the import of tyres from Hungary; and

(b) if so, the result thereof?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : (a) Yes, Sir.

(b) The investigation revealed that in the matter of selection of agents for the import and distribution of tyres from Hungary, State Trading Corporation had not exercised adequate care and caution.

SHRI N. K. SANGHI : The case of the defective tyres has become well-known now. May I know whether it is within the knowledge of the Commerce Minister that there is large-scale black-marketing in tyres and tubes? May I also know from the Minister why suitable legislation was not adopted for the distribution of tyres and tubes in the country, especially when shortage was there?

SHRI DINESH SINGH : It is very difficult to say why legislation was not adopted for the distribution of tyres and tubes. We have enough legislation to regulate distribution. I do not think there was any necessity to have a new legislation for this purpose. But may I say that the whole question has been fully gone into by the