

THE LEADER OF THE HOUSE (SHRI PRANAB MUKHERJEE): Sir, only one thing I would like to submit. When Mr. Bhupesh Gupta says that the Home Minister should come here and *suo motu* make a statement, I would like to mention one thing. On earlier occasions, when the Home Minister wanted to make a statement on similar issues, an objection was raised that as some calling-attention motion or special mentions had been admitted, they should be allowed to make their observations first and then the Home Minister should make his statement. I hope Mr. Bhupesh Gupta would follow one uniform policy.

SHRI BHUPESH GUPTA: Sir, my friend, Shri Pranab Mukherjee, it losing his debating skill even, Well sometimes I would like the Home Minister to make a statement *Suo motu*; sometimes I would not like to see his face even depending the cir-cumstanceg and situation. (*Interruptions*).

SHRI JAGJIT SINGH ANAND (Punjab): There should not be any excuses, Sir. The Home Minister must be asked to be present here.

SHRI PURABI MUKHOPADHYAY (West Bengal): The Home Minister must be physically present here when the Special Mention is taken up in the House. (*Interruptions*).

THE VICE-CHAIRMAN (SHRI U. K. LAKSHMANA GOWDA): All right. Now, let us go ahead with the Short Notice Question. Yes, Mr. Kalyan Roy. (*Interruptions*). I have called Mr. Kalyan Roy.

SHRI JAGJIT SINGH ANAND: Sir, the other day, when the question relating to the CIA business was taken up, the Home Minister was not present here. (*Interruptions*). He should be asked to be present here.

DR. BHAI MAHAVIR (Madhya Pradesh): Sir, you can request the Home Minister to be present here.

THE VICE-CHAIRMAN (SHRI U. K. LAKSHMANA GOWDA): So many Members have spoken and the Leader of the House knows the situation. (*Interruptions*).

SHRI RABI RAY: I also wrote to you about it.

SHORT NOTICE QUESTION AND ANSWER

C.B.I. Case against Shri V. Krishnamurthy, Secretary, Department of Heavy Industry

1. SHRI KALYAN ROY: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that the CBI registered a case against Shri V. Krishnamurthy, Secretary, Department of Heavy Industry;

(b) if so, what are the details in this regard;

(c) whether any enquiry has been made by the vigilance cell of the BHEL and the Government into serious charges of corruption against the officer;

(d) whether it is also a fact that Shri Krishnamurthy gave contracts to an Advertising Agency for purchasing of furniture; and

(e) if the replies to part (c) and (d) above be in the affirmative, what are the details thereof and whether any action has been taken against him, and if not, what are the reasons therefor?

THE MINISTER OF FINANCE AND INDUSTRY (SHRI R. VENKATARAMAN): (a) to (e) A statement is laid on the Table of the House.

Statement

(a) and (b) On receipt of information, the Central Bureau of Investigation registered a preliminary enquiry No. PE.2/77-CIA'A' dt. 27-8-77 against some officials of Bharat Heavy Electricals Ltd. The investigations were made by CBI in regard to misconduct in the award of contracts and orders placed by BHEL to a firm of one, Shri B. K. Swamy, Advertising Agents, for purchase of certain items of furniture and stationery in the year 1973-74. The officers named in the investigation were Shri V. Krishna-murthy, formerly Chairman and Managing Director, BHEL, presently Secretary, Department of Heavy Industry, Government of India, Shri S. V. S. Baghavan, the then Director (Finance) BHEL, Shri G. R. Sachdeva, the then Chief, Commercial Co-ordination, BHEL, Shri M. Naryanaswamy, Secretary, BHEL and Shri S. P. Nanda formerly Administrative Officer, BHEL.

(c) The enquiry has been made by the CBI into the allegation referred to above.

(d) The contract for design and supply of furniture and stationery articles was approved by the Managing Committee consisting of Shri V. Krishnamurthy, the then Chairman and Managing Director, BHEL, Shri S. V. S. Raghayan, the then Director (Finance) BHEL, Shri G. R. Sachdeva, the then Chief, Commercial Co-ordination, BHEL, Shri M. Naryanaswamy, Secretary, BHEL.

(e) On completion of enquiry, the CBI recorded the following findings:

(i) Since the designing of the furniture and work related to procurement thereof including supervision of supplies was actually done

by the advertising agency, the payment made was against work actually done by the agency;

(ii) the amount paid by BHEL for this work done was reasonable;

(iii) there was no evidence to show that the officers concerned obtained any pecuniary advantage;

(iv) the officers concerned were not prompted by any *mala fide* considerations;

(v) the articles purchased through the advertising agency were not found to be defective or below specifications; and

(vi) the appointment of M(s. R. K. Swamy as advertising consultants was not irregular.

The CBI also reported that the investigation has only disclosed deviations from practice and irregularities pertaining to purchase of furniture and stationery items. According to CBI, payment of agency commission and service charges to the advertising agency of about Rs. 8,300 in all could have been avoided if BHEL had directly obtained quotations for the items.

The CBI report was forwarded by the Ministry of Industry to the Central Vigilance Commission (CVC) for comments with the observations that in the absence of any *mala fide* considerations and the officers concerned not deriving any pecuniary advantage, no further action was necessary. The CVC, however, held that as a *prima facie* case was made out departmental proceedings should be initiated against the officers concerned.

Government considered the comments of the CVC and the report of the CBI in the Ministries of Home Affairs and Industry and held that there was no justification for initiating disciplinary proceedings as only minor deviations from ordinary practice and procedures were involved which should not be exaggerated out of proportion, particularly when the officers did not obtain any pecuniary

advantage nor were they prompted by any mala fide considerations! Accordingly, Government decided that all the officers should be exonerated and the case closed.

SHRI KALYAN ROY: Sir, we are very proud of BHEL. They are doing a fine job not only in this country but also outside. It belongs to the hard core which we want to expand and strengthen. But, unfortunately, Sir, in this hard core industry, BHEL there is a hard core, which is systematically trying to scuttle this magnificent public sector and hand it over to the multi-nationals. Unfortunately the role played by the ex-Minister of industry, Mr. George Fernandes, was extremely damaging, shameful, disgusting and harming the interests of the BHEL. Sir, what is surprising is

Mr. V. K. Krishnamurthy...

SHRI NAGESHWAR PRASAD SHAHI: I pretest on this, Sir.

SHRI KALYAN ROY: ... the former Chairman and Managing Director, BHEL, who is hounding out the honest officers...

SHRI N. K. P. SALVE: How is it relevant?

SHRI KALYAN ROY: ... who had the courage to protect the interests of the public sector, was himself guilty, according to the statement which has been laid on the Table of the House today, of serious malpractices. I quote what the Minister has stressed on the floor of the House:

"The CVC however, held that as a *prima facie* case was made out, departmental proceedings should be initiated against the officers concerned."

The first name is Shri V. Krishna-murthy, the then chairman and Managing-Director of BHEL. Here is a man, Sir, who, ignoring all the rules and procedures, as has been stated by the CBI, went violating all the norms while purchasing furniture and

other things. Would you like this sort of man to head the public sector or heavy industry? Does it not lead to a national demand that the entire BHEL should be thoroughly probed, and particularly the activities, the role and life of Mr. Krishnamurthy? My question is very simple. Is it not a fact that this whole process of violation* of the rules, etc. was initiated by Mr. V. Krishnamurthy? What was the value of the order placed with this particular Advertising Agency, Shri V. K. Swamy? The Minister has said in the statement that according to the CBI, payment of agency commission, etc. to the advertising agency of about Rs. 8300/- could have been avoided. What was the total value of the order which was placed by Shri V. Krishnamurthy on Shri R. K. Swamy, Advertising Agents? Is it the only order Mr. V. Krishnamurthy placed with Shri R. K. Swamy? Or is it a fact that he has had long dealings with Shri R. K. Swamy? Would he kindly look into it. My second point . . .

THE VICE-CHAIRMAN (SHRI J. K. LAKSHMANA GOWDA): You have already taken ten minutes.

SHRI KALYAN ROY: No Sir...
(Interruptions)

SHRI R. VENKATARAMAN: Sir, he can take the whole hour. I have come prepared and I can answer all his questions. But if he puts 7 or 8 questions at one time, it will be a little difficulty for me to answer.

THE VICE-CHAIRMAN (SHRI U. K. LAKSHMANA GOWDA): Mr. Kalyan Roy, please conclude. There are other Members also.

SHRI KALYAN ROY: Have some patience. On page 2, the Minister has said in the statement that a *prima facie* case was made out against the said officer, Mr. Krishnamurthy. When was it recommended by the Central Vigilance Commission? May I ask the last question He said -- I quote :

"...Government decided that all the officers should be exonerated and the case closed."

When was the case closed? And, is it a fact that after the case was closed the then Chairman of the Central Vigilance Commission, Mr. Pimputkar, wrote back that he did not agree with the finding of the Government—senior officers purchasing through advertising agencies, furniture, etc., ignoring all the rules.. very well, then officials can be recruited through advertising agencies and that it is not a minor offence, and so on.

SHRI R. VENKATARAMAN: Mr. Vice-Chairman, Sir, I will answer the factual question first and after that I will refer to some of the comments that the hon. Member has made. BHEL had transactions running between 300 and 400 crores of rupees. The total purchase amounted to Rs. 83,155.95 out of which the cost of furniture purchase is Rs. 59,075.59 and the cost of envelopes and stationery purchased is Rs. 24,030.36 in a company having transactions running between 300 and 400 crores of rupees. The point that was raised was that the usual procedure of calling tenders was not observed in one instance in the case of furniture purchase and also in the case of envelopes and stationery. Sir, we have been Members of the Public Accounts Committee and some have been Chairman of the Public Accounts Committee also. Therefore, everyone of us knows that these lapses from routine procedure are noted upon by the Auditor General and then they are looked into by the Public Accounts Committee. Nobody takes up these things unless it is brought out that there has been either *mala fide* intention or somebody has caused loss to the State or to the company or somebody has unlawful gain for himself. Sir, the C. B. I. which went into the whole question has found none of these things. For instance, it found that the amount paid by BHEL for these things was reasonable. The sum of Rs. 8300/- paid as commission is reasonable. There is no evidence to show that the officer concerned obtained any pecuniary benefit for themselves or that the officers concerned were prompted by any *mala fide* con-

sideration. The articles purchased through the advertising agency were not found to be defective or below standard or below specifications. The appointment of the advertising agent was not irregular. Now, all these things have been found. Nevertheless, they went on to say that since the routine procedure of calling for tenders has not been observed in this case, action may be taken. This is the thing. On this, I wish to point out that the Government came to the conclusion that this is not a matter. SHRI KALYAN ROY: When?

SHRI R. VENKATARAMAN: I will come to that later. On this, the Government came to a preliminary conclusion that there was no need to proceed with this and referred this for the comments of the Central Vigilance Commission. The Central Vigilance Commission, on its part, did not say that there was any *mala fide* intention on the part of the officers concerned. It did not say that they have made any wrongful gain for themselves. Nevertheless, they said the fact that the officers did not observe the procedures shows that there is a *prima facie* case and, therefore, it should be investigated. The Ministry of Home Affairs and the Ministry of Industries, after examining both the reports, came to the conclusion that this does not warrant any investigation. They came to the conclusion that whereas there is no *mala fide* intention nor corruption or wrongful gain by the parties, these are procedural irregularities and, therefore, the proceedings need not commence. This is the conclusion reached in July 1979 by the then Home Minister—I do not want to mention any names—and the then Minister of Industries. This is the position with regard to his points. (Interruptions) Sir, there is also another aspect to the case which I must explain. Not only Mr. Krishnamurthi but four or five officers were charged in the; original enquiry that was filed. Now, out of these four, the Financial Controller is also one. In all these proceedings where you purchase things or you enter into contracts, it is the duty of the Financial

Controller to bring to the notice of the Managing Director that proper procedure has not been followed. But in this case, the Financial Controller himself was a party to this transaction. He approved it. He justified it before the CBI. And if there was any blame at all, the blame should be borne by the Financial Controller whose duty it was to bring it to notice of the Managing Director that the transaction was not in accordance with the routine procedure established for this purpose. And this was not done by the Financial Controller also and that is how it escaped the attention of the senior executives.

SHRI N. K. P. SALVE: Sir, it is very highly regrettable that the floor of this House should be used for purposes of witch hunting and for a matter in which a clean chit is given to an officer, I do not know how much it costs for this House per minute. But in that House, Sir, a study had been carried out and it was found that it was costing the public exchequer over Rs. 5,000 per minute. And I do not know how much of money would be spent, Sir, for witch-hunting of an officer. (Interruptions) Sir, in respect of this contract, if what is written, in para (e) of the statement is correct which *inter alia* says, "(i) the payment made was against the work actually done by the agency; (ii) the amount paid for this work was reasonable; (iii) there was no evidence to show that the officers concerned obtained pecuniary advantage; (iv) the officers concerned were not prompted any *mala fide* consideration; and (v) the appointment of M/s. Swami as advertising consultants was not irregular," I want to know one thing. Sir, three concepts are known to auditors. And you would be aware of them, Sir, as an auditor.

SHRI KALYAN ROY: What is the question, Sir?

SHRI N. K. P. SALVE: I am coming to the question. Mr. Kalyan Roy, held on.

THE VICB-CHAIRMAN (SHRI U.K. LAKSHMANA GOWDA): Order, please.

SHRI N. K. P. SALVE: Sir, three concepts are known in the matter of auditing. Either a payment, Sir, is irregular or it is improper. It may be irregular. It may not be irregular and can still be improper with respect to business. It will be serious or it can be a case involving, Sir, malfeasance or misfeasance. Therefore, Sir, if this is a case purely of irregularity where it has been a minor deviation, my question to the hon. Minister with reference to part one is—he has not given a categorical answer—whether it is a fact that the case has been registered. Was there a case register? Was there an enquiry? To that, I want a categorised answer of yes or no. Secondly is there any *mala fide* against any, leave alone Mr. K. P. Salve, in respect of this matter? If there is no *mala fide*, why did he on that day agree to bring this and spend Rs. 20,000 of the exchequer over this frivolous and trivial thing?

SHRI BHUPESH GUPTA : I am very glad an economy measure has been suggested!

SHRI PILOO MODY: Mr. Salve should work out and inform this House how much it costs per minute.

SHRI R. VENKATARAMAN: Sir, this was an enquiry, what they call a preliminary enquiry. There was no case registered. Number two: As the hon. Member has stated, there was no *mala fide* and it was only on that basis, the previous Government, the Home Minister and the Industries Minister, reached the conclusion that mere deviation from procedures...

SHRI KALYAN ROY: Was that conclusion by the Industries Minister *mala fide*?

SHRI R. VENKATARAMAN: I want to answer first this question. Mr. Roy may again put another question and I will answer.

THB VICE-CHAIRMAN (SHRI U. K. LAKSHMANA GOWDA): Mr. Roy would not be allowed to put another question.

SHRI R. VENKATARAMAN: Thaak you, Sir. Since there are no *mala fides* the then Government came to this conclusion. Sir, I want to explain why I accepted this short notice question. This has been raised *ad nauseam* in every forum, in every discussion. I want to give quietus to this. People seem to imagine that some very serious thing has been done by a company which carries on transactions, enters into contracts with foreign countries. Now, yesterday we have received a telegram from Libya saying that they have successfully completed a 120 m.w. set for which that Government has sent its congratulation and thanks. Now that company is being maligned in season and out of season. I want to give quietus to it. Therefore, I will give all the answers that they want. The only thing which has been found in this case is that the procedure in respect of calling of tenders had not been observed. If it were a big thing like a Rs. 5 crore or Rs. 10 crore or Rs. 100 crore contract, it was a different thing but here the matter relates to some items of furniture and stationery.

SHRI P. RAMAMURTHI: Sir, the answer is rather misleading. The statement placed before the House is misleading because the answer at (vi) says that the appointment of M/s. R. K. Swamy as advertising consultants was not irregular. That question was not raised at all. There was another question and another case where it was raised whether the appointment of M/s. R. K. Swamy was irregular or not and in case they came to the conclusion that it was not. But here it is a different question. Here the whole question is who initiated the matter of giving of this furniture. According to my information the matter of giving of this furniture was initiated by somebody. It is only with regard to that, with regard to

stationery and all that. With regard to that when the Vigilance Commission had said that there is a *prima facie* case naturally further inquiry was necessary. In a *prima facie* case without going into further inquiries how could the Government come to the conclusion that there was no pecuniary interest involved in that? Even in the first case how can they come to that conclusion? They should go into the whole question because after all if it is said that the amount paid by the BHEL was reasonable, then in that case how does this question of Rs. 8,500 arise at all? If it was reasonable, it was reasonable. The answer is quite contradictory. It is also reasonable, the question of loss does not arise. How did the CBI come to the conclusion that by calling tenders the expenditure of Rs. 3,500 could have been avoided? The amount may be small, that is not my consideration. It is not the question that a small amount is involved in this case but the fact is that irregular practices have been adopted and these have resulted in a loss, or an additional expenditure to the tune of Rs. 8,500/-. Why a further probe was not ordered? Why should the Government think that there is nothing involved even without any further inquiry?

SHRI R. VENKATARAMAN: Sir, so far as the CV.C. is concerned, it says that there is a *prima facie* case and the *prima facie* case relates to non-observance of routine procedures and this has been fully investigated by the CBI and the CBI has said that there are no *mala fides*. Therefore, if there were some irregularities in observing the tender procedures, normally these will come to the notice of the accounting machinery. Therefore, the Government came to the conclusion that there was no need for further investigation. Only if there is anything *mala fide* or if there is

[Shri R. Venkataraman] any corruption or misfeasance or malfeasance, as my friend put it, does the Government go into it. Otherwise, every error in procedure cannot be immediately taken up as a crime. Sir, the second point that Mr. P. Rama-murti has asked is how did this question of Rs. 8,300 loss arise? The CBI commented that instead of appointing an agent if the company itself had called for tenders, they would not have had to pay this ten per cent commission to the agent. Now they said that this should have been avoided. This is the kind of usual comment which they make in the Public Accounts Committee and everywhere that instead of appointing any agent, if tenders are called, there will be a saving in it. And that was the comment. Therefore, there is no contradiction here.

श्री शिवचन्द्र झा : उपसभाध्यक्ष महोदय, मंत्री महोदय ने बहुत जोर से कहा कि कोई मेला-फाड़वी इंटरेशन नहीं था, कुछ इर्रेगुलैरिटीज थीं और केस को क्लोज कर दिया गया है। लेकिन सी० बी० आई० की रिपोर्ट है कि 8300 रु० का घाटा हुआ मैनेजिंग डाइरेक्टर के लेप्स या डेवियेशन की वजह से। लेकिन भविष्य में ऐसा न हो, कम से कम इतनी वार्निंग आपने कृष्णमूर्ति को दी? दूसरे, ऐसी भविष्य में इर्रेगुलैरिटीज न हों, डेवियेशन न हों, रूल्स एवं रेगुलेशंस को कम्प्लाय किया जाए ऐसा कोई निर्देश आपने दिया है? यदि नहीं तो क्यों नहीं?

SHRI R. VENKATARAMAN: Sir, the non-Member said that we have closed the case. Actually, he closed the case; it was his Government which closed the case, and not this Government. Now, as the Government is continuous we just put forth all the facts which are in the possession of the Government and, therefore, I have said what has happened. About the second point, Sir, there *»

no loss in the sense that any person was responsible for it. All that the CBI said was that if we had followed another procedure instead of the procedure that was followed, there would have been a saving of Rs. 8,300]. If on this basis you are going to administer warnings to the people, it would not be a correct thing, when the company turnover is of Rs. 400 crores or Rs. 300 crores. In that case, there will be no end to it.

SHRI PILOO MODY: Denationalise it.

SHRI BHUPESH GUPTA: Sir, the hon. Minister has touched the point of *mala fide*. But, Sir, one single act of *mala fide* cannot be established. In order to establish the *mala fides* it is relevant to go into the immediate antecedents as well as the integrity of the officer concerned, or others...

SHRI R. VENKATARAMAN: *Sic.* on a point of order. The question must relate to the point, on which the Short Notice has been given. I cannot go into the entire gamut.

SHRI BHUPESH GUPTA: You may not go into it; but I am not satisfied with your answer. So I say this.

SHRI RABI RAY: Sir, he is assuming your powers.

SHRI BHUPESH GUPTA: It is a fact that the inquiry had been dropped in order to shield the activities, including these activities, and other related things involving Shri Krishnamurthy? Sir, I am very sorry that I have to ask this question, because Mr. Krishnamurthy is, undoubtedly, a very able engineer. I have no doubt about it. I am told, Mr. Mohan Kumarmanglam brought him here and he had an important role in the establishment of BHEL. "But then, Sir, for the sell-out of BHEL to World Bank; he became the protégé of the World Bank. It was not under your Government; it was even before Janata Government came. Sir, it is not a fact that a committee was ap-

pointed to go into all these things by Mr. Morarji Desai, not because of any good faith but Mr. Kanti Desai was interested in a Bavarian firm rather than in Siemens, and there was a report of that committee which went against the proposed agreement? Is it not a fact that one Mr. Sharal was brought from Switzerland—he is an Indian—to become the Chairman of BHEL at the instance of Mr. Krishna-murthy? He did not become, I know. Sir, is the hon. Minister aware that some of the officers had clubbed together in order to see that Mr. Krishnamurthy is protected anyhow? Is he also aware that under the past regime, when the Congress was in power, Mr. Krishnamurthy was having negotiations with some people who were not in the Government in order to favour some company and later on also, when the Janata came to power, he was doing the same thing with some people? Are these facts not known?

In view of these facts and in view of the background of the case, why should the inquiry be dropped? In view of the circumstances of the case and in view of the fact that Mr. Krishnamurthy was very much under the influence of the World Bank and he was trying to give contracts to people at the instance of the World Bank, both during the Congress regime as well as the Janata regime, why a Parliamentary Committee should not be appointed to go into the whole question in public interest and in the interest of the public sector? This is what I ask.

Do not tie us down to the limited question of a few thousands of rupees. It is not merely this. The enquiry against him would open a Pandora's box and there would be revelations which would be of interest to the public as well as to the public sector. Sir, I repeat again, a Committee was appointed by Mr. Morarji Desai of Secretaries and experts, as I said, not because he was very much interested, but "Because

Mr. Kanti Desai was interested in a firm of Bavaria rather than SIEMENS whereas, Mr. Krishnamurthy was interested in SIEMENS. All these things, therefore, should be gone into by a Parliamentary Committee consisting of Members from this side as well as that side, both the sides. I would like to know whether the Government would consider the advisability of appointing such a Committee in order to curb corruption in high places?

SHRI R. VENKATARAMAN: Sir, I want notice.

SHRI BHUPESH GUPTA: Sir, he wants notice.

SHRI R. VENKATARAMAN: Yes.

SHRI BHUPESH GUPTA: Sir, the whole thing had been notified. The whole thing is in the report. As I said, there are reports. Where is that report of the Committee which Mr. Morarji Desai had appointed? We would also like to know about the CBI report in this case in order to give suggestions to him. Government need not cover up these things. Sir, I charge, the inquiry is being shelved and given up.

THE VICE-CHAIRMAN (SHRI U. K. LAKSHMANA GOWDA): He says he requires notice. What can I do?

SHRI BHUPESH GUPTA: As I said, I say, before I sit down, I have heard that Mr. Krishnamurthy told somebody 'If you are in a position to bribe, we can give you the contract' and everybody knows that when the Soviets were prepared to help the BHEL, this was turned down. He had been going round saying it.

THE VICE-CHAIRMAN (SHRI U. K. LAKSHMANA GOWDA): Mr. Poddar. (Interruptions)

SHRI R. K. PODDAR: Sir, while I am agreeing with Mr. Kalyan Rao that the prescribed norms laid down for these orders, whether they be of

[Shri R. K. Poddar] Rs. 9 crores or Rs. 50,000, should be followed and ^aould not be thwarted, \ do not understand the logic of this debate, \ when the CBI, the primary body, has given a clean chit in part e (iii) of the reply, that there was ^{no} evidence to show that the officers concerned obtained any pecuniary advantage. But what I have not followed is, what is the point in singling out one Mr. Krishnamurthy, when in the answer, it has been mentioned that there are four people in the committee? But since the question and answer relate to financial transactions, what I would like to know from the hon. Minister is, whether any approval of the people concerned, in charge of financial approvals, was obtained before placing this order or not.

SHRI R. VENKATARAMAN: Sir, I explained that there is a financial controller in every public sector institution and he looks into these transactions. In this particular case, the Chairman, the financial controller, the person in charge of commercial transactions, the Secretary, all these people were acting together and had acted together. The financial controller did not raise any objection. And therefore, it was approved.

SHRI NARASINGHA PRASAD NANDA: Sir, in spite of this detailed statement given by the hon. Minister, I have still some doubts. Firstly, when was the firm of Shri R. K. Swamy appointed as Advertising Agents? Secondly, was BHEL making purchases of furniture directly and not through advertising agents as has been done in this case? I find in the statement a very significant observation that the payment of this amount of Rs. 8,300, I am quite aware, is too small as compared to the expenditure that BHEL incurs to the tune of Rs. 300 crores or 400 crores, but the point is that this payment could have been avoided if BHEL had directly obtained quotations for the furniture.

THE VICE-CHAIRMAN (SHRI U. K. LAKSHMANA GOWDA): He has answered that question.

SHRI NARASINGHA PRASAD NANDA: It flows from that. Thirdly, there was no evidence to show that the officers obtained any pecuniary advantage, but I feel that this way the officials had shown anxiety to give pecuniary advantage to this particular firm of Mr. R. K. Swamy which was appointed as Advertising Agents for placing these orders.

SHRI R. VENKATARAMAN: The reason for placing the order through the firm of Shri Swamy is this. The BHEL was expanding its activities and it was inviting a large number of foreigners and they were coming and having negotiations. Therefore, the Chairman thought that they should have a good Committee room, a good lounge, etc. where negotiations could take place and for that purpose he wanted somebody to design—not to go to market and make purchases—consistent with the status and dignity of the organisation and the status of the persons who came and negotiated with the Company. Therefore, this person was engaged. In fact, in this case the CBI itself has said that there is nothing wrong in doing it, the appointment was not irregular. Therefore, I have answered the question.

SHRI SHYAM LAL YADAV: I would like to know from the hon. Minister whether it is a fact or not that there were serious differences between Mr. Raghavan, then Chairman and the Secretary of the Department and it was because of Raghavan at his instance and at his initiative, that the whole thing was mooted against Mr. Krishnamurthy and he was responsible for generating all this trouble in BHEL.

SHRI R. VENKATARAMAN: I cannot answer this question. All that I can say is, at the time of the impugned

ed transaction both of them were acting together.

SHRI DINESH GOSWAMI: Sir, I do not want to shield corruption, but at the same time I do not know why important officers of an important undertaking like this, who are doing good job should be harassed for a mere contract of Rs. 8,300 only when the BHEL incurs about 300 crores of rupees every year. May I know who referred this matter of Rs. 8,300 to the CBI when BHEL has been dealing with lakhs and lakhs of rupees? Has the Government made any enquiry with the BHEL or CBI about the person who has raised this question against important officers?

SHRI R. VENKATARAMAN: Sir, we cannot find out from the CBI who gave the information. This thing is not done. But all that I can say is, the transaction took place in 1973; it was raked up in 1978 and obviously somebody was interested in it.

PAPERS LAID ON THE TABLE

Ordinances under sub-clause (a) of clause (2) of article 213 of the Constitution in relation to the State of Bihar.

THE MINISTER OF AGRICULTURE AND RURAL RECONSTRUCTION (RAO BIRENDRA SINGH): Sir, I beg to lay on the Table:—

I. A copy each (in English and Hindi) of the following Ordinances, under sub-clause (a) of clause (2) of article 213 of the Constitution, read with sub-clause (iv) of clause (c) of the Proclamation dated the 17th February, 1980, issued by the President in relation to the State of Bihar:—

(i) The Bihar Co-operative Societies (Amendment) Ordinance, 1980 (Bihar Ordinance No. 3 of 1980). [Placed in Library. See No. LT-744/80].

(ii) The Bihar Soil and Water Conservation and Land Development Ordinance, 1980, (Bihar Ordinance No. 22 of 1980). [Placed in Library. See LT-783/80].

(iii) The Bihar Sugar Undertakings (Acquisition) (Amendment) Ordinance, 1980 (Bihar Ordinance No. 46 of 1980). [Placed in Library. See No. LT-744/80].

II. A copy (in Hindi) of the Bihar Cess (Amendment) Ordinance, 1986, under sub-clause (a) of clause (2) of article 213 of the Constitution, read with sub-clause (iv) of clause (c) of the Proclamation, dated the 17th February, 1980, issued by the President in relation to the State of Bihar. [Placed in Library. See No. LT-784/80].

I. Report and Accounts of the National Federation, of State Cooperative Banks Limited, Bombay, for the year ended the 30th June, 1979, and related papers.

II. Notifications of the Government of Gujarat and related papers

RAO BIRENDRA SINGH: Sir, I also beg to lay on the Table:—

I. A copy (in English and Hindi) of the Sixteenth Annual Report and Accounts of the National Federation of State Cooperative Banks Limited, Bombay, for the year ended the 30th June, 1979, together with the Audit Report on the Accounts. [Placed in Library. See No. LT-785/80].

II. A copy each of the following Notifications of the Government of Gujarat, under sub-section (4) of section 168 of the Gujarat Co-operative Societies Act, 1961, read with clause (b) of the Proclamation dated the 17th February, 1980, issued by the President in relation to the State of Gujarat alongwith a statement giving reasons for not laying simultaneous-