

The House reassembled after lunch at forty-seven minutes past two of the clock, Mr. Deputy Chairman in the Chair.

**I. STATUTORY RESOLUTION SEEKING DISAPPROVAL OF THE INDIAN IRON AND STEEL COMPANY (TAKING OVER OF MANAGEMENT) AMENDMENT ORDINANCE, 1974 (NO. 4 OF 1974).**

**II. THE INDIAN IRON AND STEEL COMPANY (TAKING OVER OF MANAGEMENT) AMENDMENT BILL, 1974—  
contd.**

THE MINISTER OF STEEL AND MINES (SHRI K. D. MALAVIYA): Sir, the debate yesterday on the Bill before the House was, for me, both instructive and encouraging, if I may use that word, because it gives me an opportunity to understand the nature of criticism that is levelled against the Government and it also gives me an opportunity to explain the entire circumstances under which this Bill had to be introduced and this Ordinance had to be promulgated before the current session of Parliament began.

I think I should begin with what the lion. Member, Mr. Sinha, said yesterday because his criticism was the sharpest and, if I may be permitted to say, he misunderstood me the most. Let me explain that I did not impute any motive to him, nor am I in the habit of imputing motives to any Member of the House if I do not happen to agree with him or if he does not show willingness to accept my argument or my appraisal of a situation. Of course, I did not agree with his appraisal; of course, I also did not agree with the facts he presented. Therefore, I thought I should take an opportunity to tell him as to how I felt. The background which I would like my honourable friend, Mr. Sinha, to know is that while this Iron and Steel Company was taken over, the environment which had prevailed since some time back was not conducive to a healthy pattern of public interest which we have all in view and on which there will be general agreement between myself and the honourable Member who criticised the working of the IISCO. The allegation of corruption and nepotism against the Custodian who has just left should be considered in the environment and the background prevailing in the Company at the

time of take-over. Mr. Ray mainly attempted to set right some of the old, if I may use the word, corrupt practices which undercut the deepentrenched vested interests and obviously when their interests were injured, they appeared to have entered into a mood of retaliation. Now I will give some illustrations which will explain my viewpoint and it is only by way of explanation that I am saying these things; otherwise, I would have avoided it. Prior to take-over of this IISCO, the scrap which was left over after the production of steel, this scrap used to be sold through negotiations. The old management used to call parties, whichever they liked, and negotiated a price. The possibility of objectionable transactions was inherent in it. The House will agree that through negotiations between a party which had a different concept and which had not much of a control so far as supervision by public is concerned, had their own interests in it. Shri Ray introduced the system of auction, not only of open auction, but of a systematic way auction which is prevalent and which always takes care of preventing such corruption or possible corruption. This was not liked by those who had been buying scraps through negotiations in the past. But auctions held during the last one year, for instance, have fetched a much higher price, in a practical sense, on all items of scrap as compared to the price by negotiated sales. And our gross income or net income or total income which we got by way of auctioning was higher than what it was at the time of negotiated sales. Mr. Ray obviously got into the bad books of such entrenched interests there who used to buy scrap through negotiation and therefore, it could be one of the causes for the tension that grew there and which caused some situation against Mr. Ray. Previously scrap used to lie all round the plant and there were all qualities mixed up, good, bad or wastes. This provided interests to the buyers because this offered the possibility of good material going out in the garb of scrap. When I visited the plant a couple of months or three months back, I saw that the better type of scrap was separated by the administration of Mr. Ray and he pointed out to me that before he came all these were mixed up. Since the better quality scrap fetched a very high price, an attempt was made to separate it and this also caused anger against him. This separate scrap yard

has now been established and it is responsible for differentiating between the qualities. This has given profit to the IISCO itself.

About the system of recruitment. Obviously there was no proper system of recruitment previously. They appointed whomsoever they liked. As the House is aware today even in a public sector undertaking it is impossible to appoint anybody. Even the top man is not able to use his discretion. If he appoints anybody he likes, he will be torn to pieces by the public opinion. Mr. Ray started a systematic and comprehensive recruitment policy and the recruitment now is almost through employment exchange. Recruitment through employment exchange was unheard of during the time of pie-take over period. There were serious complaints about pilferage of material. So, security arrangements were tightened and other effective steps were taken to check this menace. A DIG was specially taken from the West Bengal Government to head the security arrangements. This was not done before. Anybody could remove scrap or useable material and there was only the managing agent; about whose function the House already knows. Even recoveries of stolen and pilfered material have been effected. This was pointed out to me when I visited the Plant. This obviously might have antagonised some vested interests and they also have caused the present situation. Finally, in this connection I would like to say something which should, in my opinion, satisfy my friend Shri Sinha who made allegations of corruption. The manner in which they came here in the capital is rather surprising. I know that typed sheets were circulated among important papers some of which are unfortunately or fortunately very angry with me. These printed charges were handed over to the press. These were all charges against the Custodian. One of them came to me—he was not antagonised—and showed me and wanted to get my confirmation. I said it was very unfortunate that some interested parties who were not interested in the smooth functioning of the IISCO were doing it. Even names were mentioned to me <sup>PM</sup> which I do not think it is proper to mention here. The fact is that some interested parties got some complaints which were not based on authentic facts

and complaints which were not made in a responsible manner and they were circulated here amongst the Press and some papers gave publicity to it and others, on my advice, you see, refrained from giving publicity and some gave a modified pattern of publicity. Now, this was the background which was before me when I tried to answer what was said yesterday by my friend, Mr. Sinha. I would, therefore, suggest for the consideration of this House that whenever such specific complaints or charges of corruption are made against an officer who is trying his level best to do what he can, should not be hurled like a stone on the Minister on the presumption that the Minister would accept them or that he is going to make an inquiry into it. I know the background in which these charges are made and I also know the motives which were there in connection with these charges. Therefore, I wanted to restrain myself and did not even hold out a promise that I would make in inquiry...

DR. RAMKRIPAL SINHA (Bihar): Sir, on a point of clarification.

SHRI K. D. MALAVIYA: Nevertheless. I said that whenever such charges are made, either relating to a particular thing or in general, and if there are specific data, it is our duty to examine them very closely and carefully and as soon as I am able to sort out the right from the wrong, the reasonable from the unreasonable. I promise to the House that I would be ready to do the inquiry...

DR. RAMKRIPAL SINHA: Sir, will he kindly explain the situation in which M/s. Ashoka Cement's deals were made in spite of the instructions from the Government not to do so?

SHRI K. D. MALAVIYA: I think perhaps he was starting his question after getting a little bit excited. After sorting out the motives or other things, to which I have made a reference, I have said that whenever I am able to sort out the charges, reasonable or otherwise, it will be my duty to see whether I should go into those charges and I promise to the House that whenever such occasions arise and if I am convinced *prima facie* that this is a case which requires to be gone into, it will be

[Shri K. D. Malaviya.]

my first duty to go into that and report to the House as to what I feel about it. But here I have described the background in which all these charges were made and I thought that it was not fair to an officer who has gone now. I was perhaps not using the correct word when I said "resigned", when I used the word "resigned" for Mr. Ray. Mr. Ray had to go when the Board of Management was set up as a result of the Ordinance and immediately after he handed over charge to the Chairman and he said, "Goodbye" and he has now gone.

Now, Sir, I come to the complaint that production has fallen down, the complaint regarding the rehabilitation of the plant, complaint of lack of repair and all those. When the management was taken over in the year 1972, certain things were noticed which hampered production and which had caused a serious deterioration in the entire functioning and operation of the steel plant. One was the shortage of coke and coke ovens arising out of unsatisfactory conditions of coke ovens. The second was the bad condition of cranes and ground charges and in the bays and steel melting shops. The third was the non-availability of material-handling equipment which hampered the smooth operations in the plant. Now, with regard to the coke oven batteries, the old batteries No. 5 and No. 6, which were commissioned in 1929 and 1939 respectively, were out of production for about 4½ years when we took over. Emergency and hot repairs were also taken up. These were taken up as soon as we came. The repairs of the old batteries No. 5 and No. 6 were taken up and similar repairs in respect of coke oven batteries No. 7, No. 8 and No. 9 were also undertaken. We took the rebuilding of battery No. 7 also and this would cost us about six crores of rupees. In this manner, from a complete state of collapse—I used the word "collapse" yesterday here; but I would use a more scientific and rational term now—from a state of almost near-collapse condition of the mill, a sustained output of 1,500 tonnes of coke per day was achieved. It was as a result of spending some money and taking good care to repair old Batteries Nos. 5, 6 and 7.

Now, as the House is aware, Blast Furnace No. 3 was taken down for capital repairs, because it was completely run

down. As this was put into commission in May 1973. In May 1973, there were two hard break-outs, and it is expected now that we will soon set things right and the production will be resumed.

Production of hot metal from blast furnace has in a general way showed an upward trend during July, 1974, despite Blast Furnace No. 3 being out of commission.

I have already said something about re-conditioning of cranes, which work was entrusted to small parties, but which is now being done by J. S. Sops for us. We hope that the run-down conditions of these cranes will soon be completely brought under control and we shall be able to use them fully.

I would not like to go into other details, except trying to clarify one situation, that we are planning to spend anything between Rs. 45 crores and Rs. 50 crores for the rehabilitation scheme of the IISCO. It may be even something more than Rs. 45 crores, but it will not be more than Rs. 50 crores. And thereafter, what do we get? We shall get a re-conditioned, reborn plant which will produce one million tonnes of ingots and 800,000 tonnes of finished steel. Today, a million tonne ingot producing plant will not cost less than Rs. 400 to Rs. 500 crores. If this plant had not been repaired, lots of undesirable things should have been taken place. We have to invest Rs. 45 crores. It will give us a million tonne new steel plant which will be ready to serve the cause, and which will produce steel for one or two more decades. Mr. Deputy Chairman, this 45-crores of investment will be able to give us about 800,000 tonnes of steel, whose gross value will be about Rs. 150 or Rs. 200 crores. Next year we are bound to show improvements; there is no doubt about it. We have started showing marginal improvements and marginal production has increased.

Now, I shall hurriedly take up some of the points made by my hon. friends yesterday. Mr. Lakshmana Gowda made a complaint about the ordinance that was issued. The fact of the matter is that we had to take into consideration so many aspects of the problem—whether we should nationalise it immediately or we should take it over and

how should we get the resources. Looking to the present resources position of the Government, we did not think that it would be fair for us to impose this heavy burden on the Government. Therefore, we thought that if we had to nationalise it and we have to take it over on behalf of the owners, then it will be easier for us to borrow money from public institutions, banks and so on. Therefore, that was one of the considerations which dissuaded us from nationalising it at that time. I cannot say and I do not want to say anything about the future. The House can make its own conclusions as to what the Government would like to do under the framework of its own policy after putting so much money into this plant, repairing it and giving it a new life. The restraints of capital and organisation were there. There was also the question of the fate of so many thousands of shareholders. It is not owned by 2 or 3 or 4 or 5 big shots. The shareholders are in thousands. It was for us to consider whether it would be worthwhile to take away that little benefit that the small shareholders would get at that time if we nationalised it. So, all these questions were considered. As the 14th of July was the last date, there was no alternative for us but to introduce an ordinance in the last days of June. It was perhaps 20th of June, 1974. There were some other considerations and we had to be very careful. Therefore, I do not think that the issue of the ordinance was anything wrong although the Government should always feel reluctant to issue an ordinance on the eve of the session because ultimately the Parliament is the owner and they have to decide as to what has to be done.

There are some other points made by the hon. Members. I would now refer to Dr. Chakrabarti. He feels that the time of 10 years is too much. I do not think it makes any difference whether we carry on the functions of its repairs and of producing steel under the guardianship of the Government through a system of takeover or through a system of nationalisation. It should not make any difference whether it is 5 years or 10 years. After 10 years, what will happen appears obvious to all of us. Presumably, Dr Chakrabarti thinks that good men will not stay for 10 years. 10 years is a pretty good time for any able technician or a good administrator

to show his mettle. He goes after a few years and some other man comes. I would like to assure him that generally a man is able to show his mettle within 5 or 6 years. He considers his work satisfactory. He feels that he has roots in the place where he is working.

I have already spoken about nationalisation. With regard to the range of 4 and 14, Mr. Deputy Chairman, I personally feel (hat this number of 14 could perhaps justifiably be questioned. It is not our intention to have a very big Board of Management. But under the circumstances when there is no Managing Directorship there, when it is only a takeover system and we want to run it, it is quite possible that we may have to have a larger number of men than what we would have if there were a Managing Directorship. The Administrator should be one of the Members of this Board because I do not see any harm in it if the Administrator is to be appointed by the Government. The Government appoints because of the peculiar situation of the organizational set-up. It is a takeover organization. The Government controls it. And, therefore, in totality, it is much better if the Government appoints a man, taking all the factors into consideration. It is not a Managing Director system, in the absence of the Managing Director system, the best that we should do is to have an Administrator, who is nominated by the Government. And he has to function under the overall supervision and administrative control of the Board of Management. If the present Board of Management is five in number and the Government thinks that we should not have more than nine, certainly we will not have more than nine. But I would like the House to permit me to function within the range of 4 and 14 with a view to bringing as much efficiency in the functioning of the IISCO as it is possible.

Then, Sir, qualifications have to be specified with regard to the membership. I agree that there has to be specific qualification. My presumption is that every member who will be on the Board of Management will have a specialist assignment. And consequently, he should be qualified for that job.

Then the larger question of mini steel

[Shri K. D. Malaviya]

plants and thousand million tonnes of steel by the end of the century. That point is made, perhaps, by Dr. Chakrabarti. This is a very important question and a very basic one and has a perspective and objective before it. I thought it will be pre mature for me to dilate on this subject and I would, therefore, seek the permission of the House not to go too much into the details because I myself have not been able to go in detail into a programme which I have indicated in my personal capacity in the hope that I will be able to persuade the Government to accept the programme. The fact of the matter is, if we proceed on the present system of depending on production of steel by integrated steel plants like the giant and the elephant plants which have an involvement of one thousand crores of rupees per plant, as we proceed ahead, perhaps, it might be Rs. 1500 crores per plant, and it may not be possible for us to have a plant which will ultimately produce about one thousand million tonnes. And then also, a steel plant like the Bhilai plant or any other plant, takes at least ten years to get into strides. Sometimes it takes 12 years. Previously, in other countries, in far more advanced countries, it has taken 50 to 60 years for a major integrated steel plant to come to maximum production. So, if we calculate from that point of view and if we depend solely upon the integrated steel plant scheme, then by the end of the century, I don't think we can even touch 40 million tonnes. I, therefore, thought that with the latest concept of producing more steel by less inputs and by the chain technology which is coming to us very fast, we can install a large number of small-scale steel plants, which we call the mini-steel plants. Actually it is run by electricity the main inputs there will be electricity and sponge iron which is not available today in the country. And this scheme, even if it has to start, it will start after three or four years because the essential raw material for these plants is sponge iron which will be produced from our own iron ore by a different technology. That technology is based on the use of natural gas or coal. Unfortunately, we do not possess natural gas in that quantity. Therefore, we are carrying on experiments rather restlessly and speedily as to whether we could produce this sponge iron which is the essential

input for these mini-electric furnace. Sir, we hope that the solid reductant process of iron-ore by coal will be achievable by us within a few years time, say, two or three years time. We have already started work on it. In the mean time, the natural gas process is already on. The Soviet Union is producing a very large quantity of sponge iron. Every country is producing sponge iron, which has got its own natural gas. why should we not? In India we have started this experiment and we are having more mini steel plants. A battery of say 100 mini steel plants at one point and another battery of 200 mini steel plants at another point, near Durgapur or away from Durgapur, wherever the logistics demand, wherever the raw material is there and where water and coal is there. And, mind you, Sir, this method of producing steel will not require coking coal in which we are very short. Therefore, this is the most attractive scheme which comes to our mind and speaking purely from personal viewpoint, I think it is high time that we should have a mixture of integrated steel plants and mini steel plants and we should have about ten or twelve or fifteen integrated steel plants by the end of the century. About a thousand or more or less mini steel plants will together be able to produce more than 100 million tonnes of steel. Well, the steel plants can give us heavy plates, sheets and other things which we cannot produce in mini steel plants and the mini steel plants can give us sophisticated type of steel which we require. At the same time, we are these days engaged in utilising less steel for our construction. The Government has already embarked on a scheme of using less steel, as less steel as it is possible for us.

I have been reminded of referring to the case of Shri Ashok Chatterjee. Now, I will come to the points made by my friend, Mr. Monoranjan Roy, who is not here. I think I better ignore his argument. Now, he was trying to preach socialism to me. I am sorry, I am not prepared to take too much inspiration from his philosophy although I do admit that the essentially basic principles on which he has based his ideological concept which led into the direction of production, may be somewhat on right lines. But, what he is saying is not correct. For instance, what is wrong in our appointing Mr. Gopeshwar as one

of the Member of the Board of Directors simply because he belongs to I.N.T.U.C. Well, I want to inform the House that the most respected leader of the trade union movement in U.S. Co. is Mr. Gopeshwar. I am not here to give any certificate but the fact is that he is respected even by the followers of Mr. Monoranjan Roy. C.I.T.U. is a small union. The recognised association in the I.I.S.Co. is I.N.T.U.C. and the I.N.T.U.C. leader, Mr. Gopeshwar, is widely respected there. Everybody wants him. Nobody has any complaint against him. He takes a balanced view of the things. Not that he always accepts the INTUC point of view. My friend must know that C.I.T.U. is a speck in the I.I.S.Co., like a small planet in the sky and the I.N.T.U.C. is an all pervading organisation in I.T.S.Co. Therefore, it will not be unreasonable—I want to seek his permission, informally, to impose Mr. Gopeshwar in the Board of Management. According to my information, Mr. Gopeshwar will not do anything which will be rationally not proper and there even the leaders of the C.I.T.U. in I.I.S.Co. will accept this. I, therefore, request Mr. Monoranjan Roy to accept Mr. Gopeshwar and whenever he does anything against the interests of the trade union movement, it will be our effort to see that he gives proper advice to the Board of Management.

SHRI MONORANJAN ROY (West Bengal): Unfortunately, your efforts in other places have also been failing. You cannot do any justice to the workers.

SHRI K. D. MALAVIYA: May I submit that they have not failed? They have not failed. He has only to bear with a little patience and he will see that it has not failed. I am extremely grateful to the leaders of the Marxist party, to the AITUC, to the INTUC for improving the working conditions in the DSP. One of the factors for improvement and increased production in DSP is the new spirit of cooperation which is imbibed there and I do admit that the initiative of cooperation has also come from the Marxist party in which Mr. Monoranjan Roy has rendered quite a good service and I am grateful to him but let him not think that there has been no response from other parties. If for certain acts of previous workers ranging from 1967 or 1968 or 1969 there are certain imbalances which I am

months, even; should you be angry with me? Some people here were not reasonable, they were out of control and I am trying to bring them under control. I have condemned those activities openly. I only try to reconcile the two opposite view points, the two psychologies. I want and I seek his cooperation and I am determined to seek the cooperation of other INTUC leaders who are there, who are not in full cooperation with me because of certain prejudices which have grown in times during the last five to six years.

SHRI MONORANJAN ROY: Sir, for your information, are you aware that the INTUC leaders met the Prime Minister against your advice, regarding the three-tier system? Have you seen the paper?

SHRI K. D. MALAVIYA: Every leader of the INTUC or the trade union movement is wholly entitled to go and see the Prime Minister. The Prime Minister knows what is happening. After all the Prime Minister is not isolated. She knows what is happening. I do not know what transpired there but I am quite sure of what I am saying here that I am for seeking a formula or a situation where I will try to get the maximum cooperation from all except those people, if there are any, who are not willing to cooperate, who are not willing to help us in the increase of production. They and we cannot go on the same lines. We will see to it that tensions are relaxed there, that all the workers are cooperating with each other to increase the production. What is the most fundamental issue in the DSP is to make good losses and I hope, if the progress and performance of May and July is maintained, we will make profits which the DSP has not achieved so far. So, I seek cooperation from all parties, be it the CITU or the AITUC or the INTUC and I hope we will get the cooperation.

SHRI MONORANJAN ROY: I raised the point of representation of workers in the Board. We are not very much enamoured of the relations between the Board of Directors and the workers but I have said that the representation should be from among workers, that it should be by ballot vote. Then only, the real representation may come. Otherwise, you

SHRI K. D. MALAVIYA: Vote by ballot is a new concept. I am not averse to it. It is for you and the Ministry of Labour to get together and find out methods of reconciliation, of creating better conditions for that. I have never said that I am against ballot vote. Just now we have found out that the present member on the Board of Management is by and large acceptable to everybody except on political grounds. Some political party may have raised some objection but for all practical purposes of work it is obvious that Mr. Gopeshwar is acceptable to all.

SHRI MONORANJAN ROY: It is not always.

SHRI K. D. MALAVIYA: Well, I v.(-I'd say that everything is not always tight or always wrong. That is obvious.

SHRI MONORANJAN ROY: It is not the case. If you say that Mr. Gopeshwar is the only man who is acceptable to all, I may differ with you and I say, it is a political decision of your party. That is what I raised yesterday.

SHRI K. D. MALAVIYA: Lastly, Sir, Mr. Monoranjan Roy also, as I said, reminded me of his sermbn of socialism and philisophy of socialism. He also said about anti-social character and all that. I can say I strongly differ from him on all those points.

I think we are going the socialist way. I have no doubt about it. Instead of his laughing, I have no doubt that we are going the socialist way. It may take a little time as the situation stands. Even if Mr. Monoranjan Roy becomes ihe Prime Minister of India, I am sure that he will have to accept the inevitability of the gradu- alness of this process and this inevitability he cannot bypass. But we are fafti i are moving faster and the time will prove that we move faster than that any oth< i political party will be able to do it beenu we have accumulated a little experience of how the psychology of our people clanges, how we have to respond to the basic concepts of liberty and democracy. (Interruption by Shri Rajnarain). I know much more than what Mr. Rajnarain knows about it. Mr. TCninarain must know ....

SHRI RAJNARAIN (Uttar Pradesh): You must know much more about fraud, about cheating and looking towards Russia. . .

MR. DEPUTY CHAIRMAN: Mr. Raj-  
in, you have just now come in; you don't know what is going on in the House.

SHRI K. D. MALAVIYA: With your permission, L'ir. I would say that Mr. Rajnarain is more mischievous, more un-ued and more untouchable than anybody in the House. . . (Interruption)

श्री राजनारायण : इसी लिए मंत्रीमंडल से निकाले गये थे और फिर चापलूसी कर के आ गये । जवाहर लाल जी ने निकाला था और उन की बिटिया ने आप को रख लिया ।

श्री के० डी० मलवीय : वह कहानी तो पुरानी हो गयी ।

I wanted to refer to Shri Ashok Gliater-jee's w-e, Sir, because some hon. Members, Monoranjan Roy I think, referred to it. There is nready a case going on against him. Therefore. I cannot say anything. The case is already *sub judice*. I do not know what is going to happen to him. . . .

SHRI MONORANJAN ROY: What is the amount of defalcation?

SHRI K. D. MALAVIYA: Neither I nor you can help it and, therefore, because the *b judice*, I cannot say.

Mil. DEPUTY CHAIRMAN: I shall now put the Resolution to vote. The question is:

"That this House disapproves the Indian Iroa and Steel Company (Taking over of Management) Amendment Ordinance 1974, (No. 4 of 1974), Promulgated by the President on the 28th J.:ne 1974."

*The notion was negatived*

MR. DEPUTY CHAIRMAN: I shall now-put the motion to vote.

The question is:

"That the Bill t.^ amend the Indian Iron and Steel Company (TaVing Over of Management) Act, 1972, be taken into consideration."

*The motion was adopted.*

MR. DEPUTY CHAIRMAN: Now we take up clause by clause consideration of the Bill.

*Clauses 2 to 11 were added to the bill.*

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

SHRI K. D. MALAVIYA: Sir, I move:

"That the Bill be passed."

*The question was proposed.*

DR. R. K. CHAKRABARTI (West Bengal): The hon. Minister has not tied three points. First is about the number 4 to 14 and it is not convincing. He has not clarified whether the number will be fixed at 9 or 10. The second point he has not clarified is about the difference between the Chairman and the Administrator because the Administrator may be the Secretary on the Board of Management but what will be the relation between Chairman and the Administrator. That is not clarified. The third point is, how many times will they meet. That provision is not there in the Bill.

SHRI K. D. MALAVIYA: The relationship will glow by tradition.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be passed."

*motion was adopted.*

**THE ALCOCK ASHDOWN  
COMPANY LIMITED  
(ACQUISITION OF UNDER-  
TAKINGS) AMENDMENT BILL, 1974**

THE DEPUTY MINISTER IN<sup>1</sup> THE MINISTRY OF HEAVY INDUSTRY (SHRI DALBIR SINGH). Sir, I move:

"That the Bill to amend the Alcock Ashdown Company Limited (Acquisition of Undertakings) Act, 1973, be taken into consideration."

The House is aware that the Bill to acquire the undertakings of The Alcock

Ashdown Company Limited was passed in December 1973 and the House is also aware in what conditions the Bill was passed. Now, Sir, one Turner Morrison and Company, the major shareholder in this Company, have filed a writ petition.

: have gone to the High Court with a Writ petition and they have taken, (he picks up) that the amount which is deposited by us in accordance with the law passed here, the amount of Rs. 1 crore for various purposes specified in the Act, is illusory.

[The Vice-Chairman (Shrimati Purabi Mukhopadhyay) in the Chair]

They have said that the Government has included floating debts, etc., while aiming at the amount, whereas our intention is not to include all these things. We examined this point again in the Department. We have also on this point taken the advice of the Legal Department. We have consulted the learned Additional Solicitor-General and the Additional Solicitor-General has given the definite opinion that the intention of the Government about not including all these things in the Act should be made explicit for removal of doubts. So, we have come here with this Explanation to be added to section 4(1) of the main Act. With this Explanation we hope that we have taken abundant caution to our intentions. The case is before the High Court and we have to contest it. Our case is very strong and on the basis of legal position we may win the case in the High Court. With these few remarks I move.

*was proposed*

SHRI D. D. PURI (Haryana): Madam, on the face of it, the Bill looks to be innocuous, innocent and a one-line remover of doubt, but I do suspect that there is a great deal more to the bill than meets the eye. For instance, the Government got the Bill passed for taking over the undertaking known as the Alcock Ashdown Company Limited (Acquisition of Undertakings) Bill. Now, I would like to make one thing very clear. I do not know the Alcock Ashdown Company Limited, who are the people connected with it. I am not even remotely connected with this Company or any business that it carries on.