

RAJYA SABHA

Monday, the 31st August, 1970|9th
Bhadra. 1892 (Saka)

The House met at eleven of the clock, Mr. CHAIRMAN in the Chair.

ORAL ANSWERS TO QUESTIONS

C. B. I. ENQUIRY INTO FIRMS
CONNECTED WITH GOENKA

*679. DR. SALIG RAM:

SHRI KRISHAN KANT:†
SHRI M. M. DHARIA:
SHRI ARJUN ARORA:
SHRI CHANDRA SHEKHAR:
SHRI KOTA PUNNAIAH:
SHRI NAHITOSH PURAKA-
YASTHA:

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether the Central Bureau of Investigation has investigated into the malpractices indulged in by firms connected with Goenka and especially the National Jute Company and shareholding in IISCO; and

(b) if so, what further action has been taken by Government in this regard?

THE MINISTER OF COMPANY AFFAIRS (SHRI K. V. RAGHUNATHA REDDY) (a) and (b) A statement is laid on the Table of the House [See Appendix LXXIII, Annexure No. 69].

श्री सुन्दर सिंह भंडारी : मान्य ए. वाइंट ग्राफ आर्डर । यह जो स्टेटमेंट सदन के पटल पर रखा गया है इस स्टेटमेंट में ही पैराग्राफ 1 के अन्त में यह लिखा है : 'यह मामला अभी तक चीफ प्रेसीडेन्सी न्यायाधीश कलकत्ता में अन्वीक्षा के लिए अर्पित है।' और दूसरे के अन्तर्गत लिखा है कि 'इस मामले पर अभी

तक उच्च न्यायालय द्वारा निर्णय नहीं किया गया है।' मैं आप से यह व्यवस्था चाहूंगा कि जब सरकार के जवाब में ही इस बात का उल्लेख है तो फिर नियमों के अन्तर्गत जिम में कि यह रूल 47(9) है, उसमें यह लिखा है :

"(xix) It shall not ask for information on a matter which is under adjudication by a court of law having jurisdiction in any part of India."

तो जब हमारे यहां यह प्राविधान है कि जो चीज किसी अदालत के समक्ष विचाराधीन हो जिस पर निर्णय न हुआ हो, उस पर हम को यहां विवाद नहीं करना चाहिए और सरकार ने भी अपने जवाब में इस बात को माना, उसी से मैंने कोट किया है जिसमें स्पष्ट रूप से कहा है कि यह चीजें विचाराधीन हैं तो मैं चाहूंगा कि आप इस प्रश्न पर व्यवस्था दें क्योंकि आगे अगर विवाद इस प्रश्न पर सदन में होगा तो निश्चित रूप से अदालत को अपना निर्णय करने में बाधा पड़ेगी और इस बात को ध्यान में रखते हुए आप इस पर विवाद रोक दें।

SHRI MULKA GOVINDA REDDY: These papers are already filed in the court. These are all public documents. Why should there be any objection? There is nothing wrong in that. There is no point of order.

SHRI ARJUN ARORA: The whole of the sordid affair of Mr. Goenka is not before any court. We know what is before a court of law and this long statement by the Minister himself mentions what is *sub judice*, in a court of law. Members will certainly avoid this aspect of the matter and only ask questions which are not likely to affect the proceedings in a court of law, for

†The question was actually asked on the floor of the House by Shri Krishan Kant.

example, the manner in which Mr. Ramnath Goenka acquired money from various sources for....

SHRI SUNDAR SINGH BHANDARI: We do not want to enter into the merits of the case . . .

(Interruptions)

SHRI ARJUN ARORA: ...that is not before a court of law.

MR. CHAIRMAN: Let me give the ruling.

SHRI ARJUN ARORA: Sir, listen to my submission. Kindly be half as patient as you were with Mr. Bhandari.

SHRI SUNDAR SINGH BHANDARI: I am not entering into any controversy.

SHRI ARJUN ARORA: I am also not entering into any controversy.

✓ SHRI JAGDISH PRASAD MATHUR: You are entering into certain points.

SHRI ARJUN ARORA: I am giving certain examples. All questions pertaining to Mr. Ramnath Goenka and his associates are not before a court of law . . .

(Interruptions)

SHRI JAGDISH PRASAD MATHUR: Whether his case is there...

SHRI ARJUN ARORA: I was giving one example, Sir....

MR. CHAIRMAN: No, no.

SHRI ARJUN ARORA: ...about a thing in which we are interested, which is covered by this question and which is not before a court of law, and my example . . ."

SHRI SUNDAR SINGH BHANDARI: I do not know.

SHRI ARJUN ARORA: You read the statement and you will know.

श्री सुन्दर सिंह भंडारी : मेरा आप से निवेदन है कि प्रश्न के जवाब में जो

वक्तव्य मंत्री जी ने दिया है उस के अपेडिक्स में कुछ चीजें हैं। जवाब तो छोटा सा है और दोनों पैराग्राफ के अंत में मिनिस्टर महोदय ने कहा है कि यह दोनों मामले विचाराधीन हैं। उसी के अपेडिक्स में उन्होंने एफ आई० आर० की कापीज अटैच की हैं। तो इन कागज के पोंथों से हाउस को मिमलीड नहीं होना चाहिए। यह अपेडिक्स हैं और मुझे आश्चर्य है कि बे हाथ में निखे हुए हैं या पता नहीं मिनिस्टर साहब ने इन की फोटोस्टेट कापी दी है या क्या किया है, शायद उम की ओरिजिनैलिटी को आथेटिकेटिड बनाने के लिए ऐसा किया हो। मुझे खुशी होती कि जिस तरह से उन्होंने परिशिष्ट 3 टाइप कर के दिया, क्या उसी प्रकार से पहले के परिशिष्ट नहीं दिये जा सकते थे, क्या उममें कोई विज्ञेपता है या मारे हस्तलिखित कागजात हम को दिये गये यह इम्प्रेसन देने के लिए, यह इम्प्रेसन पैदा करने के लिए कि यह कहीं से पार किये गये हैं या क्वेश्चन करने वालों ने सप्लाइ किये हैं सरकार को ? लेकिन किसी भी हालत में जब सरकार खुद इस बात को स्वीकार कर रही है कि दोनों मामले सबजुडिस हैं तो मैं आपकी यह रुलिंग चाहूंगा। आप इन तीनों पैराग्राफ को पढ़ कर यह बतायें कि कैसे इस पर चर्चा हो सकती है ?

SHRI M. M. DHARIA: Mr. Chairman, Sir, having regard to the replies given by the hon'ble Minister, whatever materials are *sub judice* should not be discussed in this House. With that I am in agreement. But let this House not forget that after the question is put in the form of a supplementary regarding the policy of the Government, questions can be raised....

SHRI SUNDAR SINGH BHANDARI: Is it covered by this question?

SHRI M. M. DHARIA: Mr. Chairman, Sir....

SHRI KRISHAN KANT: Since when has the Jan Sangh become the protagonists of the Goenkas?

SHRI SUNDAR SINGH BHAN-DARI: I take strong objection. You cannot say all this.

श्री जगदीश प्रसाद माथुर : फ्रेंक मौरिस के बारे में क्या किया ? आपके खिलाफ लिखना शुरू कर दें । इसमें जनसंघ की क्या बात है ?

श्री सी० डी० पांडे : पोलिटिकली मोटिवेटेड हैं सब आपका मामला ।

श्री कृष्ण कान्त : आपका पोलिटिकली नहीं है । You are supporting monopolists and capitalists.

SHRI MAHAVIR TYAGI: I support all monopolists, no doubt. I do support them.

SHRI KRISHAN KANT: In a letter . . .

MR. CHAIRMAN: Please sit down, Mr. Krishan Kant. Please complete your sentence, Mr. Dharia. I want to give my ruling.

SHRI M. M. DHARIA: I am submitting in this House that barring that part which is *sub judice*, in supplementaries several issues regarding policy could be raised, for instance, if I ask, having regard to the misuse of investments, may I know what steps are being taken by the Government so that these investments are not encouraged to indulge in malpractices and to create monopolies. This is not a question which should come in that purview. Are you not going to allow me to put that supplementary which has nothing to do with the case?

SHRI SUNDAR SINGH BHAN-DARI: Or even which has nothing to do with the question!

SHRI M. M. DHARIA: I am not going to yield. Mr. Chairman, Sir, I would like to appear.... (*Interruptions*) I have not interrupted anybody, I should be allowed to have my say.

Sir, my submission to this House is, let us not get unnecessarily emotional out of any consideration whatsoever. My submission to you is before you give this ruling, please do not prevent me from putting such supplementaries which have nothing to do with court affairs.

SHRI KRISHAN KANT: Sir, before you are giving the ruling....

MR. CHAIRMAN: No. I have heard enough.

SHRI KRISHAN KANT: This statement does not in any way show anything about the purchase of shares, shareholdings of I.I.S.C.O. This is not *sub judice*. Certainly, I can ask questions about shareholdings in the I.I.S.C.O.

SHRI ARJUN ARORA: Where did he get the money from?

SHRI KRISHAN KANT: There are many things which are not *sub judice*. About this questions can be asked. You cannot debar Members from asking questions.

SHRI MAHAVIR TYAGI: I want to ask a question of procedure. This is with regard to the type of statements the Ministers are usually accustomed to put on the Table of the House. Their statement must be relevant to the question itself. A Minister cannot choose to take the opportunity for propagating certain things. The question was "whether the Central Bureau of Investigation has investigated into the malpractices indulged in by firms connected with Goenka and especially the National Jute Company, etc." "Yes" or "No" should have been the reply. The detailed statement was all right. But along with the statement copies of the Special Police report, enquiry report and all that are attached for the purpose of just having propaganda. This is something uncalled for.

(*Interruptions*)

SHRI ARJUN ARORA: Sir, I have something to say on this point of order.

(Some hon. Members stood up)

MR. CHAIRMAN: Now this has become a debate.

✓SHRI S. N. MISHRA: Sir, on a point of order. My point of order is that whenever a question of this kind is put, your office should be a little careful in seeing to it that the phrasing of the question is done in a proper manner. Now the point is, you speak of malpractices indulged in by a particular firm. So far as we are concerned, we are against malpractices by all firms. We do not pick on particular capitalists from any point of view. We are against the system of capitalism. We are against monopolies as such. We are not against individuals. Now in the question it is said "...the malpractices indulged in...." That means that there is almost a definiteness about it; it should have been"...the alleged malpractices...." That is number one. Number two, since this matter has been recognised to be *sub judice*, can questions relating to policy, as has been urged by my hon. friend, Mr. Dharia, be put in respect of this question? My submission is that the Question Hour is not meant for discussing policy matters. Therefore, what Mr. Dharia has said does not appeal to me at all.

SHRI ARJUN ARORA: Sir, . . .

MR. CHAIRMAN: No, I have not called you a second time. Please, Mr. Arora, it is not a debate. You have spoken once.

SHRI ARJUN ARORA: Sir, I have a submission to make on Mr. Tyagi's point of order.

MR. CHAIRMAN: No, I am not bound to call you on every point. Please sit down.

✓SHRI M. V. BHADRAM: Sir, before you give your ruling on this question, there is one point to be considered. Apart from the rules, we have developed a convention in this House regarding this matter. For instance, the

burning of a Harijan in Kanchikacherla village was discussed in this House when the case was before the court. If the matter was important, the House always discussed it.

✓SHRI BHUPESH GUPTA: Sir, I have a submission to make because everybody has been allowed. I would invite your attention to Rule 47; the Rule should be taken as a whole. I should like to know why these supplementaries or the statement which has been laid on the Table of the House by the Government should be regarded as *ultra vires* this Rule and hence inadmissible, because the Rules do not say so. Secondly . . .

MR. CHAIRMAN: I have not followed the first point.

SHRI LOKANATH MISRA: What is the first point?

SHRI BHUPESH GUPTA: The first point I have made.

SHRI LOKANATH MISRA: The Chair has not followed it.

SHRI BHUPESH GUPTA: Rule 47 is not violated either by the supplementaries put or by the statement laid on the Table by the Government in relation to this question. Now, some Ministers give brief facts; others give more facts. Some are expansive and some are not so expansive. This is a matter of detail. It is a matter of opinion. Let us not go into that aspect. Mr. Mahavir Tyagi may like it or may not like it or I may not like it or *vice versa*. Secondly, the point that the matter is *sub judice* should not be stressed too far. It is entirely your discretion. We are absolutely supreme. We have seen and we have discussed many questions. What happened when Members of Parliament were prosecuted in a petition before the Supreme Court for having said something....

MR. CHAIRMAN: Now please sit down.

SHRI BHUPESH GUPTA: The matter was discussed in Parliament. Strong opinions were expressed by Members of Parliament including the Speaker. The Speaker even asked them not to respond to the summons and so on although the matter was *sub judice*. Although the matter was *sub judice* that something was said against the Shankaracharya, it was discussed in Parliament. Now, rules are actually parliamentary conventions. The supremacy and sovereignty of Parliament is not impinged upon by the fact that the matter is *sub judice*. But normally, sometimes at your discretion we follow the procedure or method whereby we do not ask questions which relate to a matter which is *sub judice* provided the questions intimately relate to issues which the court is called upon to decide.

MR. CHAIRMAN: Now that is enough....

SHRI K. P. MALLIKARJUNUDU: Sir, on a point of order.

MR. CHAIRMAN: No, no. No points of order. We have taken more than fifteen minutes on this. Now, Mr. Minister, I want to put a question to you. I wish to know from you whether the subject matter of this question is *sub judice*. You know what *sub judice* is. You are a lawyer.

SHRI ARJUN ARORA: No, Sir. It is a very unfair question.

MR. CHAIRMAN: No, please sit down.

SHRI ARJUN ARORA: It is a very unfair question, Sir.

MR. CHAIRMAN: No, no. I wanted a clarification of his answer.

SHRI ARJUN ARORA: Still it is a very unfair question, Sir.

MR. CHAIRMAN: No, please sit down.

SHRI ARJUN ARORA: You are giving the Minister an opportunity to

say "Yes" and escape the responsibility of giving reply to this House.

MR. CHAIRMAN: No, no. I want a clarification of the answer given by the Minister.

SHRI M. M. DHARIA: Sir, the rule is very clear . . .

MR. CHAIRMAN: But I have not called you. Please sit down. It has been discussed here already.

SHRI ARJUN ARORA: Sir, I want to make a submission to you.

MR. CHAIRMAN: No submissions now. Mr. Arjun Arora, please sit down.

SHRI ARJUN ARORA: Why should I sit down?

MR. CHAIRMAN: I have not called you. Please sit down.

SHRI ARJUN ARORA: I request you to call me.

MR. CHAIRMAN: No, I am not calling you. Please sit down.

SHRI ARJUN ARORA: Sir . . .

MR. CHAIRMAN: When I am standing, you should sit down. You are violating the rule. Now, I want a clarification of the answer given by the Minister in reply to this question.

SHRI ARJUN ARORA: Sir, you are giving the Minister an opportunity to say "Yes" and escape the responsibility . . .

MR. CHAIRMAN: No, please sit down, Mr. Arjun Arora. Now, Mr. Minister according to the answer given by you, is it quite clear that the subject-matter is *sub judice*, i.e., pending in court for adjudication?

SHRI K. V. RAGHUNATHA REDDY: Sir, I request you to show me some indulgence if I take a little time . . . - s

SOME HON. MEMBERS: What? Give a straight reply.

SHRI LOKANATH MISRA: The Minister should learn to be precise.

MR. CHAIRMAN: You cannot compel the Minister to frame his answer in the way you like.

SHRI K. V. RAGHUNATHA REDDY: Sir, the main question of the honourable Member is whether the Central Bureau of Investigation has investigated into the malpractices indulged in by firms connected with Goenka. There are two aspects of this question. In the first part of the statement which you were pleased to read it is stated that in respect of a particular case, the matter is pending before the High Court wherein certain accused have been apprehended for having committed offences under the Indian Penal Code. One of the accused had gone to the High Court and revision petition was dismissed. Again when the approver was sought to be examined, one of the co-accused said that the approver could not be examined against him. The Chief Presidency Magistrate dismissed that petition . . .

MR. CHAIRMAN: The case is pending against the Chief Presidency Magistrate's order.

SHRI K. V. RAGHUNATHA REDDY: On this particular issue, he went in a revision petition to the High Court and the matter is pending before the High Court. As far as . . .

SHRI ARJUN ARORA: What are the issues pending?

SHRI K. V. RAGHUNATHA REDDY: As far as the facts stated in the first paragraph of my statement are concerned, they are pending both before the Magistrate and also before the High Court . . .

MR. CHAIRMAN: My ruling is this . . .

SHRI ARJUN ARORA: The Minister has not completed.

MR. CHAIRMAN: Do you want to say something more?

SHRI K. V. RAGHUNATHA REDDY: Then there is a CBI investigation into the other set of facts in relation to which they have undertaken it on an F.I.R. filed by one of the officers of the department. That matter is not pending before any court because this is done only by the C.B.I. I would only suggest to the hon. Members not to press for detailed information because . . .

SHRI ARJUN ARORA: The C.B.I. is not a court.

SHRI K. V. RAGHUNATHA REDDY: So far as this part of the question is concerned, it is not pending before any court.

MR. CHAIRMAN: So far as the matter pending before the court is concerned, it is not a question of my discretion. The rule is mandatory and this rule applies to the supplementary questions also. The question shall not asked for information on a matter which is under adjudication by a court of law having jurisdiction in any part of India.

There is another rule. The question shall not raise questions of policy too large to be dealt with within the limits of an answer to a question. Therefore, the hon. Members will not ask any question relating to the matter which is pending before the court.

SHRI BHUPESH GUPTA: What is the matter under investigation?

MR. CHAIRMAN: Hon. Members will put questions relating to the general policy of the Government . . .

AN HON. MEMBER: What about "too large"?

MR. CHAIRMAN: The question does not concern with policy. It concerns with particular matters which are under investigation. Policy is not under investigation. Therefore, questions like —"what are the shares and what has the Government done about this matter"—cannot be asked. These

are matters which are likely to come up before the court at the time of the trial. I would ask the hon. Members not to put any question which may affect the trial.

So far as any matter under investigation by the CBI is concerned, as the hon. Minister has said that there is some matter before the C.B.I., it would be advisable not to prejudice the investigation...

SHRI BHUPESH GUPTA: How is it?

MR. CHAIRMAN: Please listen. I am not saying that it is mandatory as I have said in the other case. But I am appealing to the discretion of the hon. Members that when the matter is under investigation, it would not be advisable to put questions which may affect the investigation. You may put questions as to the stages at which the case has reached both in the matter of the investigation as well as in the matter of the court case. But nothing regarding the merits of the cases which may affect the cases, directly or indirectly should be asked. That is my ruling on this issue.

So far as the question raised by Shri S. N. Mishra is concerned, the word 'alleged' could have been there. But for the framing of the question the questioner is responsible. We can correct the clerical mistakes. Here, as implied, it must be alleged malpractice because it is under investigation.

SHRI MAHAVIR TYAGI: Sir, Members of Parliament cannot be responsible for this. It is for the Ministry to put up to you that the matter is *sub judice*. We do not know that.

SHRI BHUPESH GUPTA: Sir, on a point of order. You are paying very great attention to it.

MR. CHAIRMAN: I will read out the relevant portion.

"If it contains", that is, the question, "If it contains a statement, the Member shall make himself responsible for the accuracy of the statement."

SHRI S. N. MISHRA: Yes.

MR. CHAIRMAN: We can correct it.

SHRI S. N. MISHRA: When it is known to you that the matter is *sub judice* and even then....

MR. CHAIRMAN: Your assumption is not correct. When the question came, my office never knew that anything was pending.

AN HON. MEMBER: Quite right.

SHRI S. N. MISHRA: It might concern at some stage—may be an hon. Minister—and there might be some kind of a complaint. So, it must be with a certain amount of definiteness. Would it not hurt us very much instead of saying that there is an allegation of a particular kind, you see, the hon. Member has indulged in....

(Interruptions)

MR. CHAIRMAN: I have already said that the word 'alleged' should have been there. It would have been better if the word 'alleged' had been there and I have already said that and it is a hypothetical question whether there is a complaint against anybody... I am not going to say anything.

SHRI BHUPESH GUPTA: Sir, I would ask you to reconsider.

(Interruptions)

MR. CHAIRMAN: Mr. Tyagi's question I am not answering.

SHRI BHUPESH GUPTA: Sir, I am a little surprised that you have given so much legalistic and procedural attention to this matter when it involves Mr. Goenka. But the moment it comes to the Naxalites, nobody bothers about it much... (Interruptions) ... Nobody bothers

(Interruptions) . . . Nobody bother about investigations, question of sub judice and other niceties . . . (Interruptions). I must say this . . . I will show from the proceedings that when it comes to the land movement or when it comes to the Naxalites, nobody bothers . . . (Interruptions).

MR. CHAIRMAN: No.

SHRI BHUPESH GUPTA: The moment it is Mr. Goenka, the multi-millionaire, all the niceties of law are resorted to.

MR. CHAIRMAN: Please sit down.. (Interruptions).

SHRI BHUPESH GUPTA: I say you cannot have that way.

MR. CHAIRMAN: No.

SHRI BHUPESH GUPTA: Your ruling stands, Sir. But, . . . (Interruptions) . . . he has a subtle mind and he is a subtle man . . . I only hope in the future also in our cases you will be doing in the same way. Sir, do not try to say that the matter is under investigation. You know, Sir, as a great jurist, that investigation is not stage of judicial process. Surely, we can ask any question with regard to a matter which is under investigation . . . (Interruptions).

MR. CHAIRMAN: I do not want to hear anything . . . (Interruptions.)

DR. K. MATHEW KURIAN: Sir, I am on a point of order.

MR. CHAIRMAN: No question of point of order. Half an hour we have taken.

DR. K. MATHEW KURIAN: Mr. Chairman, Sir, I am not questioning your ruling. But I only want to seek a little clarification. You have, in your wisdom, suggested that questions before the CBI may be asked and that they are not debarred. I am, for instance, in possession of some facts which are not pending before any court. For instance, the Goenka's National Company . . . (Interruptions).

MR. CHAIRMAN: No, please. Please sit down.

DR. K. MATHEW KURIAN: But. Sir . . . (Interruptions).

MR. CHAIRMAN: I am not permitting you to ask anything . . . (Interruptions) . . . I say, please sit down. You are violating the rule. Please sit down. I am standing.

DR. K. MATHEW KURIAN: Sir, . . . (Interruptions).

MR. CHAIRMAN: No. Mr. Krishan Kan'.

SHRI BHUPESH GUPTA: Sir.. (Interruptions)

MR. CHAIRMAN: No, you are violating the rule.

SHRI BHUPESH GUPTA: No. Why should the Goenkas be favoured?

SHRI SUNDAR SINGH BHAN-DARI: Why should he be discriminated against? That is what I say.

SHRI S. N. MISHRA: . . . He owns a number of newspapers. You should know that . . . (Interruptions).

SHRI KRISHAN KANT: Sir, can I ask the question?

(Interruptions)

MR. CHAIRMAN: Yes. . . Silence please. Order, order.

SHRI KRISHAN KANT: Sir, may I know from the Government—I am only referring to that part which is not mentioned in the statement—what was the *modus operandi* of purchasing the shares of IISCO used by the Goenkas, how much money was given, are the public sector institutions or the banks in the public sector demanding that money from the Goenkas and, if not, why not? Also, may I know why instructions are not being issued that the money given to Mr. Goenka for purchasing the shares are taken back quickly?

SHRI SUNDAR SINGH BHAN-DARI: Is this covered by this question, Sir? Before you ask the Minister to reply, you have to use your discretion because you have given certain directions in this matter. (*Interruptions*.)

MR. CHAIRMAN: Mr. Minister, if this question relates to the matter before the court, then you have not got to answer it.

SHRI ARJUN ARORA: Sir, on a point of order. You are not discharging your duties. You are passing them on to the Minister. We have not elected the Minister to preside over the deliberations of this House and decide whether a particular question arises out of this or not. We have elected you to decide this question.

MR. CHAIRMAN: Mr. Minister.

SHRI SUNDAR SINGH BHAN-DARI: Before you ask the Minister to reply, you have to decide whether this is a valid supplementary. (*Interruptions*).

MR. CHAIRMAN: None of you have placed any documents of the court before me so that I might be able to decide it.

SHRI SUNDAR SINGH BHAN-DARI: We do not have them. It is on the basis of the Government's replies. Otherwise, I would not have raised this question at all. (*Interruptions*).

MR. CHAIRMAN: Please sit down.

SHRI BHUPESH GUPTA: Sir, since you are in difficulty, why not refer this matter under article 143 of the Constitution to the Supreme Court for its opinion?

SHRI SUNDAR SINGH BHAN-DARI: That is a good alternative.

SHRI K. V. RAGHUNATHA REDDY: Sir, the question that has been asked by Shri Krishan Kant is about the *modus operandi* which he has adopted for the purpose of acquiring the shares of the IISCO. As for

the case that is pending before the court, it is a criminal case of conspiracy for cheating, etc. That has no direct relation with this. This is a separate transaction and that is a separate transaction. Anyway, I leave it to you to decide.

MR. CHAIRMAN: If it is a different transaction not before the court, then in that case you have to reply.

SHRI SUNDAR SINGH BHAN-DARI: Sir, the burden of deciding whether it is a part of that transaction or not is on you, you have to decide it, not the Minister, whether this is a valid question?

MR. CHAIRMAN: It does not appear from the Statement that this particular matter about which the question has been asked is before the court.

SHRI SUNDAR SINGH BHAN-DARI: The question is about the *modus operandi* adopted by him. Does this relate to certain shares or not? I want to ask this question. If it does relate to the purchase of certain shares, then the question of *modus operandi* falls within the purview of it.

MR. CHAIRMAN: If I have understood the Minister aright, no case is pending in relation to IISCO; it is some other case....

(*Interruptions*)

SHRI K. V. RAGHUNATHA REDDY: Sir, I shall confine my statement to this that there is no case pending before any court in respect of the acquisition of shares or the raising of finances by Goenka. There are of course two other cases pending before the Delhi High Court and other courts in respect of public trustees' power, whether it can be exercised, and also in respect of the Dalhousie shares.

MR. CHAIRMAN: Therefore you answer the question.

SHRI ARJUN ARORA: He has been conferred a very great honour by you. He decides whether it should be answered or not.

MR. CHAIRMAN: I have asked about facts. (*Interruptions*). They are not about the decision I have given. Mr. Arora, you should have understood what I have said.

SHRI ARJUN ARORA: I did understand what you mentioned. You have abdicated in favour of a junior Minister.

SHRI SUNDAR SINGH BHANDARI: Should you stand this charge? Is it a valid charge that you have abdicated your authority in his favour? Are we to accept the ruling of the Minister on everything in this connection?

MR. CHAIRMAN: Personal reflections on myself I leave to the House.

SHRI SUNDAR SINGH BHANDARI: Do not implicate your personality in this. It is a reflection on the Chair. Has the Chair abdicated its authority to the Minister?

SHRI K. V. RAGHUNATHA REDDY: According to the information at the disposal of the Government, Shri R. N. Goenka raise funds in a large scale for Share Operation through the medium of M/s. National Co. Ltd., Calcutta and Express Newspapers Group of Companies located in Bombay and in the South. The main source of funds is the overdraft and cash credit facilities by State Bank of India, Calcutta. The maximum facility provided under this arrangement was upto Rs. 4 crores. The company had also loan facilities from NIDC and IDBI which came to the extent of Rs. 89 lacs. Thus the total funds available to the company from the Banks and Financial Institutions came to about Rs. 4.89 crores.

The company also raised funds by the method of selling Pakka Delivery Orders. The system of selling PDOs

has been recognised by the East India Jute and Hessian Exchange, which is an association for regulating and controlling trade is transferable specific delivery contracts in raw jute and jute goods. According to the bye-laws of the aforesaid Exchange, a Pakka Delivery Order is a contract under which delivery document is tendered relating to goods in possession of the company with the value and description of goods indicated in the PDO. This procedure of tendering PDOs has been misused by the National Company for raising funds by selling PDOs to various . . .

श्री सुन्दर सिंह भंडारी : श्रीमान्, ग्रान ए पाइन्ट आफ् आर्डर । आपने यह कहा था कि "इस्को" क्योंकि अंडर एड्जुडिकेशन नहीं है, इस्को के संबंध में वह जवाब दे सकते हैं । लेकिन सारा का सारा जवाब जूट, जूट ट्रान्जेक्शन्स, नेशनल जूट कंपनीज से अभी तक रिलेटेड है । मेरा निवेदन है कि आपने इतना स्पष्टीकरण करने के बाद जब सवाल को एलाऊ किया...

श्री सभापति : मैं समझ गया...

Mr. Minister, you are not to say anything about the jute cases.

श्री सुन्दर सिंह भंडारी : तो फिर इस तरह के जवाब को रोकना चाहिये आपको । उनके पास इस्को के लिये कुछ कहने को नहीं है और आपने इस्को का ही जवाब देने के लिये कहा था...

श्री सभापति : तो आप चाहते हैं कि पेपर्स मेरे पास से पास हो...

श्री सुन्दर सिंह भंडारी : मैं कहाँ से पास करवाऊंगा । मगर आपको यह चाहिये कि यह जो स्टेटमेंट किया गया है उसको आप देख कर, उस सवाल को

रेकर करिये और चहे तो आप कल इसको ले लीजिए, लेकिन इस तरह का जवाब हमको कान्वन्स नहीं कर सकता।

SHRI BHUPESH GUPTA: I have rarely known Members resisting reply to supplementaries. In fact our main complaint has been that the Ministers do not give enough replies. Now the replies are coming but because they are about Georkas, they are not wanted.

श्री सुन्दर सिंह भंडारी: चयर की तरफ मे दस बातें सावधानी की बतायी जाती हैं फिर भी उसका वाए-नेशन हो और आप कुछ न करे।

The Chair must restrict to its ruling.

SHRI K. V. RAGHUNATHA REDDY: To the extent I could understand the doctrine of sub judice, the facts which I have stated do not fall within the concept of that doctrine.

"According to the bye-laws of the aforesaid Exchange, a Pucca Delivery Order is a contract under which delivery document is tendered relating to goods in possession of the company with the value and description of goods indicated in the P.D.O. This procedure of tendering P.D.Os. has been misused by the National Company for raising funds by selling P.D.O. to various parties without having any jute goods actually in stock with or under control of the company. The procedure adopted by the company was to issue P.D.Os for raising the finance temporarily which, in turn, was utilised for share-dealing operations, and when the pressure is over to repurchase the P.D.Os since they were not backed by goods. Thus, the sale and repurchase of P.D.Os. was a kind of fictitious transaction entered into for raising funds temporarily. The funds thus raised during the period when the cornering of the shares was going on was to the tune of Rs. 3 crores."

MR. CHAIRMAN: Your answer, can it be shortened?

SHRI SUNDAR SINGH BHANDARI: Sir, this answer was not prepared according to the instructions and the limitations that you have put. This is a prepared answer prepared by the Secretariat. There is no objection to it, but I only want to bring to your notice that there have been certain submissions made to you by the non-Members putting supplementaries that the Minister's replies should be confined to those supplementaries only. Since that has not been so in this case, I again insist on your own instructions and limitations being followed by the Ministers and now again, because the reply is not limited to the instructions issued by you, I submit that there must be some arrangements made so that the replies only relate to the supplementaries put and not to those aspects of the matter which are within the purview of courts which are seized of such aspects of the matter.

SHRI R. K. PODDAR: On a point of order, Sir.

MR. CHAIRMAN: There can be no point of order now.

SHRI R. K. PODDAR: One minute, Sir. In your ruling you made it clear that no questions will be asked in respect of a matter which is *sub judice*. After that, Sir, Mr. Krishan Kant asked a question about the *modus operandi*, in the purchase of IISCO shares, by Mr. Goenka with the help of the financial institutions of the Government of India, whereas the question refers in particular to the malpractices indulged in by the National Jute Company. Also, in the answer no mention has been made of the help of the financial institutions of the Government of India. But the Minister has taken the liberty of mentioning again about the National Jute Company.

MR. CHAIRMAN: Mr. Minister, kindly, help me by not giving any answer relating to the trial of that case.

✓ SHRI A. G. KULKARNI: I have got my point of order, Sir. The point, Sir, is that the Minister was replying and was giving his own view in reply to the supplementary put by Mr. Krishan Kant. Whenever the problem of any unearthing of any racket indulged in by any monopoly house is concerned . . .

MR. CHAIRMAN: It is no point of order.

SHRI A. G. KULKARNI: How do you expect the Minister to do tight-rope walking in a manner in which some Members want him to do that walking? Sir, you must give him protection and allow him to reply as he thinks fit. You cannot direct him, Sir, to do the tight-rope walking as others want him to do. You must give him protection to reply as he thinks fit and proper.

MR. CHAIRMAN: The Minister has to make a selection while giving his oral answers. While giving oral answers, he has to make a selection and he has to confine himself to those matters only which are not under adjudication. Please sit down, Mr. Kulkarni.

SHRI A. G. KULKARNI: It is the Minister's choice to give his answers as he thinks best.

MR. CHAIRMAN: It is not the Minister's choice.

SHRI A. G. KULKARNI: There is no direction anywhere that the Minister will reply in a particular manner. He has got his own choice in the matter of his replying to the questions put by hon. Members.

MR. CHAIRMAN: No, no, not like that.

SHRI K. V. RAGHUNATHA REDDY: Sir, I would make a humble submission.

SHRI A. G. KULKARNI: Give a straight reply.

SHRI K. V. RAGHUNATHA REDDY: Sir, the question asked is what is the *modus operandi* which has been adopted for raising loans or raising finance and the question has also been about the utilisation of this finance for acquiring shares in IISCO. If I have understood the question, these are the two points. That is why had been referring to certain aspects of the *modus operandi* so that this may be precisely stated. (Interruptions) My only submission, if I have to orally answer the question, is that the National Jute Company could manage it with the financial accommodation from the State Bank of India, and other financial institutions like the National Industrial Development Corporation and also the Industrial Development Bank. Besides this it has also adopted the *modus operandi* of making the PDO, the Pucca Delivery Orders for the purpose.

MR. CHAIRMAN: This should be enough I think. (Interruptions). This is answer to a supplementary and an answer to a supplementary cannot be a very long answer.

SHRI KRISHAN KANT: The question here is why do you not allow the Minister.

SHRI A. G. KULKARNI: Exposing the money rackets does take a long time; how can you stop it?

MR. CHAIRMAN: Mr. Krishan Kant, your second question.

SHRI KRISHAN KANT: May I know from the hon. Minister . . .

MR. CHAIRMAN: Don't put questions about facts as if this is a trial court.

SHRI KRISHAN KANT: I think for the first time we are not getting . . .

MR. CHAIRMAN: I do not expect the Government to give long replies. That may take a very long time.

SHRI KRISHAN KANT: May I know from the Government whether Mr. Goenka came forward with a proposal that the Government may purchase the shares of IISCO from him, IISCO may be nationalised and taken over and he may be paid money for that and what is the Government's reaction? Is the Government succumbing to his pressure?

SHRI K. V. RAGHUNATHA REDDY: I want notice of this question.

SHRI M. M. DHARIA: Mr. Chairman, I would like to clarify that I am not at all under any influence of any dinner of last night because I was out of station.

SHRI SUNDAR SINGH BHANDARI: Sir, what does he mean, that some of the Members have got dinner?

SHRI A. G. KULKARNI: What is that dinner and by whom?

SHRI SUNDAR SINGH BHANDARI: We want to know whether Mr. Kulkarni had dinner.

SHRI A. G. KULKARNI: Mr. Dharia has said that some Members of Parliament . . .

(Interruptions)

MR. CHAIRMAN: Pleased sit down Mr. Kulkarni.

SHRI SUNDAR SINGH BHANDARI: I would like to ask Mr. Kulkarni whether he had this dinner as mentioned by . . .

(Interruptions)

MR. CHAIRMAN: Please sit down Now, please don't mention about dinners. You put your question.

SHRI M. M. DHARIA: Sir, I have said only about myself that I am not under any influence.

MR. CHAIRMAN: That is all right; don't mention dinners.

SHRI M. M. DHARIA: May I know from the hon. Minister in view of the fact that unscrupulous elements in the industrial and trading community

are trying to take advantage by creating these monopolies, by abusing certain powers and flagrantly violating the aims and objectives of particular companies and using their funds to create monopolies or just to gag the very progress of the country, what steps are being taken by the Ministry so that the companies or the industries function in a smooth manner? May I know whether the Government is considering to convert the loans and advances provided to the big companies into equity share capital so that the major voice will be that of the public financial institutions and so that these present abuses of powers by such unscrupulous elements in our society are not given any quarter?

SHRI BABUBHAI M. CHINAI: I would like to know from Mr. Dharia—he said that equity capital should be turned into share capital—what is the difference between equity and ordinary capital.

(Interruptions)

SHRI M. M. DHARIA: I am ready to say.

MR. CHAIRMAN: No, no. I do not accept his request.

SHRI K. V. RAGHUNATHA REDDY: The Government is fully aware of all these matters and as far as conversion of the loan into equity is concerned it is a question of policy matter about which I cannot say anything now.

SHRI M. M. DHARIA: But what steps are being taken, he can say.

MR. CHAIRMAN: He has said that it is too big a matter, a matter of policy.

SHRI ARJUN ARORA: Sir, may I know what is the money that the Life Insurance Corporation and other public sector financial institutions made available to Mr. Goenka to make a takeover bid of IISCO? The minister has given the figures of about Rs. 4 crores advances by the State

Bank of India but my information is that the money advanced to Mr. Ramnath Goenka by other public sector institutions was much more and that he got a total amount of Rs. 9 to Rs. 12 crores from the public sector financial institutions alone. May I know what were the advances made by the LIC and other public sector institutions to Mr. Goenka and whether the LIC, the State Bank of India and other institutions have taken note of the Monopolies and Restrictive Trade Practices Act and demanded the money back from Mr. Goenka, whom Mr. Mohan Dharia has called a swindler? It was Mr. Kulkarni and not Mr. Mohan Dharia.

SHRI K. V. RAGHUNATHA REDDY: The inspection of some of the companies of the Goenka group is going on and unless the inspection is completely over, it is very difficult for me to give a complete picture about it. As far as the LIC loans are concerned, I have no immediate information, except that LIC has got shareholding in the National Company as well as in IISCO.

SHRI MAHAVIR TYAGI: Sir, you have ruled that questions and answers must be limited to point which are not *sub judice*. My hon. Members had said that questions can be asked directly. Now, Sir, I hope this is not *sub judice*. Is it not a fact that there were reports in the Press and outside about misuse of and diversion of funds by Mr. Goenka from the National Jute Company to the Indian Iron's shares, etc.? After that the State Bank, the Reserve Bank and the Company Law Administration made a thorough enquiry into the affairs of the Goenkas, i.e., the National Jute Company. They gave a report to the Government and they came to the conclusion that there was no diversion of funds at all. Was such a report submitted?

SHRI M. M. DHARIA: On a point of order. These are certain facts revealed by Mr. Tyagi. So, you please ask him whether they are to be treated as concerned with the case.

SHRI MAHAVIR TYAGI: I want to know whether a report of that nature was submitted after a detailed enquiry by the Reserve Bank and by the Company Law Administration under section 209 of the company law. After the enquiry they came to the conclusion that there was no diversion of funds at all and, therefore, after that report further advances were given to that company. Then, again, as regards the shares in IISCO, is it a fact that the Indian Irons have illegally invested crores worth of shares in a trust of their own about which Mr. Daphtary, the hon. Member, Mr. Setalvad, and the Law Ministry opined that this was illegal and the company was liable to be prosecuted?

SHRI ARJUN ARORA: Sir, on a point of order . . .

(Interruptions)

SHRI MAHAVIR TYAGI: Has Government taken any action?

SHRI K. V. RAGHUNATHA REDDY: Sir, the Department of Company Affairs ordered inspection and, in pursuance of the order, inspection was carried out and in pursuance of the inspection report that had been submitted it was found necessary that the matter should be referred to the CBI for investigation on the facts revealed in the report. As far as the Reserve Bank enquiry is concerned, the hon. Member may kindly put a separate question.

SHRI MAHAVIR TYAGI: Is he avoiding answer or does he not know it?

SHRI K. V. RAGHUNATHA REDDY: As far as the second question that has been asked by Shri Tyagi is concerned, he refers to the Dalhousie share holdings, the share holdings which are popularly known as Dalhousie holdings now owned by the Trust. The hon. Shri Setalvad and Shri Daphtary had given one type of opinion, and Shri Chagla and Shri Palkhiwala had given a different opinion.

SHRI MAHAVIR TYAGI: The Law Ministry?

SHRI K. V. RAGHUNATHA REDDY: The Law Ministry had supported the opinion given by Shri Setalvad. When we referred to the Attorney General, the Attorney General supported the opinion given by Shri Chagla and Shri Palkhiwala.

SHRI R. K. PODDAR: The Minister said in his reply that the State Bank has advanced Rs. 49 crores to the National Jute Company. That shows as if the entire money has been utilised by Shri Goenka for the purchase of Indian Iron shares. I would like to know whether it is not a fact that all this money has been utilised for the development of the company and not for the purchase of Indian Iron shares. Secondly, may I know whether it is not a fact that from 1959-60 onwards, in the course of the last ten years, the production of the company has gone up from Rs. 1.5 crores to Rs. 20 crores and the labour strength has gone up from 2,000 to 10,000 workers and the exports have gone up to Rs. 12 crores annually?

SHRI K. V. RAGHUNATHA REDDY: I said in answer to the question by Shri Krishan Kant how much money he had raised. This particular amount of money was by way of bank accommodation. I never said that this entire amount has gone to the purchase of shares. I could have explained the whole operation but anyway it was not felt necessary. The money was raised by newspaper companies also.

SHRI R. K. PODDAR: Sir, he has not replied to the second part of the question.

SHRI S. N. MISHRA: Since the question refers to the firms in general, I would be within the confines of the question if I ask the hon. Minister whether any investigation is being conducted into the working of the newspapers owned by Mr. Goenka. I feel myself very hurt because many of these newspapers write against socialism, against so many policies to which we are wedded. May I know

whether the Government is conducting any enquiry into the functioning of the newspapers because they have been criticising and sabotaging the Government policy? That is the definite question. w

SHRI K. V. RAGHUNATHA REDDY: To the extent relevant to the issue inspection has been undertaken of some of the newspaper companies, and some of the inspections are still going on and some reports are being studied.

MR. CHAIRMAN: The Question Hour is over. ✓

WRITTEN ANSWERS TO QUESTIONS

COMPENSATION FOR PILFERAGE OF GOODS ON RAILWAYS

*680. **SHRI K. C. PANDA:**
SHRI M. K. MOHTA:

Will the Minister of RAILWAYS be pleased to refer to the answer to Starred Question No. 156 given in the Rajya Sabha on the 4th May, 1970 and state:

(a) whether it is a fact that there has been a substantial increase in the payment of compensation by Government for pilferage of goods and consignments during transit on the Indian Railways during the last year;

(b) the comparative compensation paid by Government on this account during the last three years; and

(c) if so, the reasons for the increase in the cases of such pilferages and the special steps taken by Government to prevent such cases and to minimise the number of compensation cases?

THE MINISTER OF RAILWAYS (SHRI GULZARILAL NANDA): (a) to (c) A statement is laid on the Table of the Sabha.