

**SHRI BHUPESH GUPTA** (West Bengal) : Madam, I have a submission to make. As far as the Salaries and Allowances of Members of Parliament (Amendment) Bill, 1969, is concerned, certainly it can be put off. It is a highly controversial Bill. Some of us are opposed to some of the provisions of that Bill. I do not see why it should be hurried through. The question of increase in M.P.s' allowances can be put off for the time being. Anyhow, you can consult others. We are not in a hurry about it. This is my first point.

**SHRI SUNDAR SINGH BHANDARI** (Rajasthan) : Yes, it can be put off.

**SHRI BHUPESH GUPTA** : My second point is that again and again the Minister said yesterday that the condition of the primary teachers and the problems arising out of the situation in primary education should be discussed. In fact, he invited discussion. We had the impression that he wanted a resolution to be moved almost immediately. But then he retraced his step and said that the House should discuss it. I think we should find some time during this session to have a discussion on the problems of primary education with special reference to the conditions of primary teachers. I think the Government should take up the matter.

**SHRI A. D. MANI** (Madhya Pradesh) : Madam, about the salaries and Allowances of Members of Parliament (Amendment) Bill, I was a Member of the Joint Select Committee. . . .

**THE DEPUTY CHAIRMAN** : What do you want to say here? You were a Member of the Joint Committee.

**SHRI A. D. MANI** : I want to make a suggestion to the Government that this Bill be put off and the matter be referred, as it has been done in the U.K., to some other body like the Prices and Incomes Board. The matter came up in the House of Commons on the 25th July . . .

**THE DEPUTY CHAIRMAN** : Did you not suggest it in the Joint Committee? You were in the Joint Select Committee. Have you made your suggestions there? There is no need to make additional suggestions here. You have already done it there.

## REFERENCE TO LICENSING ENQUIRY COMMITTEE REPORT

**SHRI CHANDRA SHEKHAR** (Uttar Pradesh) : Madam Deputy Chairman, the Licensing Enquiry Committee Report was placed on the Table of the House last week and we have made a request for a discussion on it. Another report has been submitted by that Committee about allegations against Birlas and that is going to be laid on the Table of the House shortly, as has been indicated by the Minister of Industrial Development yesterday to me in a letter. So, Madam, because the Committee report makes so many revelations about the malpractices of certain big business houses, especially 50 houses, and they are still indulging in that, the House should get time to discuss these reports and the Government should be asked to formulate some policy immediately before some harm is done to the country by the manipulations and misdeeds of these monopolists in the country.

**THE DEPUTY CHAIRMAN** : Now we come to Mr. Arjun Arora's Bill.

## THE COMPANIES (AMENDMENT) BILL, 1966—*contd.*

(To amend Section 224)

**THE DEPUTY CHAIRMAN** : Mr. Chandra Shekhar, you had not finished your speech the other day. We must finish this in one hour.

**SHRI CHANDRA SHEKHAR** (Uttar Pradesh) : Madam Deputy Chairman, I have almost finished. On the Bill moved by my friend, Mr. Arjun Arora, we were discussing that an auditor should not be allowed to continue to function for the same firm for more than two years, and in my last speech I was referring to certain specific cases about the Ruby Insurance Co. and the New Asiatic Insurance. These are the two companies for which the Government appointed certain auditors. The auditors' report came to certain conclusions. I shall not go into these conclusions. But the Government also came to the conclusion that the auditors inspecting records of these insurance companies were not above board and that they were at fault. Not only that, the Government made a proclamation announcing in the Houses that the auditors have been dismissed. But surprisingly enough, some auditors even today are functioning for more than eight or ten companies of

Birlas. This is a peculiar situation. One auditor is held responsible for conniving or for collaborating with the malpractices of certain big business houses. The charge is upheld by the Government. It is announced in both the Houses of Parliament and after that the same auditor is allowed to function for the same business house even after these findings. It is a peculiar situation. I do not know what is the remedy in the existing law if the proposal of Mr. Arjun Arora is not accepted.

Madam, Deputy Chairman, you know that as far as the private sector is concerned there is hardly any control of the Government on the income and expenditure of these corporate bodies. The auditors are there as watch-dogs over the incomes and finances of the shareholders. It is surprising that the same auditors are being employed by big monopolists in almost all their companies and in this way they are putting a vested interest in it. The result is that instead of being a watch-dog upon the functioning of these companies, upon the finances of these corporate bodies, these auditors become the collaborators in all the misdeeds and manipulations and manoeuvrings of the monopolists. Madam Deputy Chairman, under these circumstances whatever law this Parliament may pass, whatever restrictions we may impose through our enactments, if there is no machinery to look into the income and expenditure of these corporate bodies, I am sorry to say that there will be hardly any success on this score. So under these circumstances I very strongly plead with the Government that the Government should accept the proposal made by my friend, Mr. Arjun Arora, that there should be some restriction, some curb on the auditors and their employment or connections with big business and monopolists.

SHRI A. D. MANI (Madhya Pradesh): May I ask him one question? Has the hon. Member examined the point whether this will not be in conflict with the fundamental rights given under the Constitution that any man can carry on his work or profession as he likes? Is this a reasonable restriction on that right?

SHRI CHANDRA SHEKHAR : I think my hon. friend, Mr. Mani agrees with me that every one has a right to pursue his vocation as he likes, but not in a fraudulent way. If he conspires with certain big business houses, if he conspires to loot the public exchequer with certain

big business houses which are plundering the public exchequer, there cannot be any justification for that. Mr. Mani has got every right to pursue his vocation and publish his paper *Hutavada*. But I think he has also got certain restrictions under which he functions. He has got the liberty to work as he likes as a journalist, but surely he has not got the licence to publish whatever he likes. He desists from publishing many things—at times they may be entertaining things—in the interest of the society, in the interest of the community. I plead that this restriction is necessary in the interest of the community, and the interest of certain individuals, which is not a correct interest, should be curtailed in order to subserve the greater interest of the community as a whole and the nation as a whole.

With these words, I support the Bill moved by Mr. Arjun Arora. Thank you.

श्री राजनारायण (उत्तर प्रदेश) : माननीया, मैं भी श्री अरोड़ा जी के प्रस्ताव का सुझावात्मक समर्थन करूंगा। अर्जुन अरोड़ा जी और चन्द्र शेखर जी ने जो बात कही वह अपनी जगह पर सही है। हम 1952 से बराबर इस बात पर जोर दे रहे हैं कि ये जो बड़े बड़े कारखाने, बड़ी बड़ी कंपनियाँ हैं वे जिस तरीके से अपने बैलेंस-शीट तैयार करती हैं उसमें कितना धोखा है, कितना जाल है, कितना बट्टा है। इन सभी चीजों की जानकारी अब सभी को हो गई है उन तमाम रिपोर्टों को देखने से जो अब आ गई हैं। मैं यह कहना चाहता हूँ कि एक आडिटर एक साल रहे, दो साल रहे, फिर उसके बाद दूसरा आडिटर नियुक्त कर दिया जाए, वह एक-दो साल रहे, इतने से ही काम नहीं चलेगा। हमारा कहना है कि उसमें कुछ और जोड़ा जाय। चन्द्र शेखर जी को पता होगा सोशलिस्ट पार्टी के 1952 के इलैक्शन मनीफेस्टो का। उसमें हमने सजेस्ट किया था कि जोइन्ट आडिटर सिस्टम हो, एक मालिक का आडिटर हो, एक मजदूर का आडिटर हो, मालिक और मजदूर दोनों के आडिटर बैलेंस शीट को देखें। तब जाकर मसला हल हो सकता है, वरना जो मालिक एक आडिटर को लगातार रख कर करा सकता है, वही पैसे ज्यादा देकर दूसरे एक आडिटर को एक-दो साल रख कर कराया जा सकता है।

[ श्री राजनारायण ]

इस समय हमारे देश में ईमानदारी बहुत गिर गई है। मैं कहता हूँ कि आज ईमानदारी खराब है और किसी भी देश में जब ईमानदारी खराब हो जाती है तो उस देश में दुनिया के अन्दर विश्वास डिग जाता है। मैडम, आपको मालूम होगा—आप पढ़ती हैं—कि कन्फ्यूशस से जब लोगों ने पूछा कि किसी भी कुशल शासक के लिए कितनी बातों की आवश्यकता है तो उसने कहा कि तीन मुख्य बातों की आवश्यकता है, पहली, एक सुसंगठित सेना हो, दूसरे प्रचुर मात्रा में खाद्य सामग्री हो और तीसरे अचल विश्वास। तो कन्फ्यूशस ने लोगों ने पूछा कि अगर इसमें छोड़ना पड़े तो हम पहले किसको छोड़ें, तो उसने कहा कि सेना में कमी कर सकते हो, उन लोगों ने कहा कि अगर इसको छोड़ने से भी काम न चले तो कन्फ्यूशस ने कहा कि खाद्य में कमी कर सकते हो, पूरा पेट न खायें तो तीन चौथाई या दो रोटी कम खाकर भी लोग काम चला सकते हैं, फिर लोगों ने कहा कि इन दोनों को छोड़ने से भी काम न चले तो तीसरा अचल विश्वास ही बचेगा, जनता का विश्वास तो कन्फ्यूशस ने कहा कि अगर जनता के विश्वास को कम करोगे तो फिर सरकार बनाओ ही नहीं फिर वह शासन चल ही नहीं सकता, वह देश आगे बढ़ ही नहीं सकता। आज हमारे देश में जन-विश्वास की कमी हो रही है, किसी का किसी के ऊपर विश्वास नहीं है। आप यहां निकल कर लावी में जाइए, कांग्रेस पार्टी के मंत्रिमंडल के बड़े बड़े दिग्गज सदस्य पूछते दिखाई देते हैं कि अरे भाई कितने फूटे यानी कांग्रेस के कितने लोग फूट रहे हैं संजीव रेड्डी से गिरि के लिए। बड़े बड़े दिग्गज कांग्रेसी कैबिनेट के लोगों के मुंह से हमने सुना है कि कांग्रेस के कितने लोग फूट रहे हैं। यह सब बिश्वास का अभाव है, विश्वास की कमी है। इसलिए मैं कहना चाहता हूँ कि आडीटर की नियुक्ति की व्यवस्था आप दो साल की करें या एक साल की उससे काम नहीं चलेगा; चलेगा तब जब एक मजदूर अपने मन के मुताबिक मालिक के तमाम हिसाब-किताब की जांच करने के लिए अपना

आडीटर भेजेगा। इसलिए मैं उसमें एक सुझाव देना चाहता हूँ—और चाहता हूँ कि श्री अरोड़ा जी हमारे सुझाव को मान लें—कि जाइन्ट, संयुक्त आडीटर की व्यवस्था करने का मस्विदा उसमें रखें, तब जाकर जो मकसद वे हासिल करना चाहते हैं उस मकसद को पूर्ति हो सकती है। बस इतना ही मुझे कहना था।

SHRI A. G. KULKARNI (Maharashtra) : Madam Deputy Chairman, I support the Bill moved by Mr. Arora. It is found that in this country the industrialists are taking improper advantage of the provision of auditors. What I have found out is that the auditors' organisation is not only an organisation for preparing the balance-sheets, but also an organisation to aid the industrialists on how to conceal income. The industrialists have found out that as the auditors know all the details about sales, purchases and many other transactions of the corporate sector, they can very easily aid them in concealing income also. Here I am one with Mr. Rajnarain—for the first time—that ultimately this is a problem of a national character irrespective of whether he is appointed for two years or three years, because the ingenuity of the industrialists always beats the Government. The Government may bring forward any amount of legislation the Parliament may enact any amount of legislation, but the ingenuity of the industrialists and the traders always turns out to be superior. So it is not a question of merely the labour being associated. The labour is always there. It may come in the Boards also under the present progressive measures of the country's economic programme. So, what is needed is that the Income-tax Act and the Chartered Accountants Act should be so correlated that the chartered accountants cannot fraudulently help the industrialists, either to conceal income or to prepare false balance-sheets. For this purpose, I want to make this suggestion—I do not know whether Mr. Arora will accept it—that the appointment of the auditors may be made subject to the approval of the minority vote also. Then there is a greater chance that the auditor to be appointed will not be just to the liking of the industrialists, whether for the first two years or after two years. I only wanted to make this suggestion. Thank you.

SHRI M. ANANDAM (Andhra Pradesh) : Madam, I think I am perhaps

the only chartered accountant in this House and I may be given a few minutes' time to speak on this Bill.

THE DEPUTY CHAIRMAN : Yes.

SHRI M. ANANDAM : Madam, let me at the outset say that I oppose this Bill. The object of this Bill, according to Mr. Arjun Arora who introduced this Bill, is that he wants to eliminate the possibilities of favouritism creeping in which may lead to improper audit. That is what he said. But when I heard other hon. Members in this House speak on this Bill, I noticed that they forgot one very salient point which Mr. Arjun Arora wanted to make out. Is continuity of the same auditors responsible for all this improper auditing, or is it the inefficiency of audit which has been responsible for it? When Mr. Chandra Shekhar spoke on this Bill or when Mr. Mohan Dharia spoke on this Bill, they only laid stress on the point that there is collusion between the management and the auditor and that is responsible for this type of improper audit. My feeling is if that is the matter, the Bill that is now introduced by Mr. Arora is not the remedy for it I might say that the profession of audit in India is governed by the Chartered Accountants Act of 1949. It is a fairly comprehensive enactment governing not only the conduct of an auditor but also the qualifications that an auditor should possess. It has got a disciplinary committee which goes into the entire aspect of the professional conduct of an auditor and we have seen in a number of cases that have arisen during the last twenty years where the disciplinary committee has gone into this question very carefully and awarded punishments. These punishments have invariably been accepted by the High Courts or in certain cases reduced, but I do not know even a single instance where the award given by the Institute of Disciplinary Proceedings has been enhanced. But if you analyse the cases that have gone to the Institute for conducting an enquiry into the disciplinary matters, you will find that there is not even a single case which has come out on the basis of collusion between the management and the chartered accountants. The disciplinary proceedings that have taken place or either for professional misconduct or for negligence or dereliction of duty, but there is not even a single case where it has been proved that there has been any collusion between the management and the chartered accountants. That is exactly why

I say that all these twenty years it has been proved at least by conduct that an auditor has been very independent and has been able to maintain his integrity. . .

SHRI A. G. KULKARNI : You require the help of auditors.

SHRI M. ANANDAM : That is the first thing that I wanted to make out in this debate.

Secondly, what is the type of work that an auditor does nowadays? Is it just auditing accounts or is it something more than this? We know, Madam, that it is no longer a question of simple verification of accounts and certifying the accounts. What an auditor does is that during the course of business he advises the management on various matters, on matters relating to finance, administration, etc. He is no longer a simple auditor who just certifies accounts. If you take up that particular aspect, an auditor has got a lot of information and he gets information as an auditor over a number of years either because he is in touch with the management or because he is in touch with the personnel or with the administration; and all this information is available with him to properly advise the management in the conduct of business. That is one important aspect which we should note when we think of the continuity of an auditor.

I would like to say another point which comes here. When a company discusses freely and frankly various matters with its auditor, it confides in the auditor so far as its business is concerned. And if this Bill seeks to change the auditor for every two or three years, then it is only an artificial relation that is created between the auditor and the management and it is highly impossible for the management to confide in the auditor and get his advice in all its matters. It is only because of the confidence reposed in him by the company that he is able to advise its management in all matters that are referred to him. Madam, this question of rotating the auditor is not quite new. This has been tried in Bombay in 1953 for cooperative societies. The Bombay Government said that so far as the audit of the cooperative societies was concerned, the auditors must be changed at least once in every three years. But it was found by experience that this change of auditors was detrimental to the interests of the cooperative societies themselves and it did not help.

SHRI A. G. KULKARNI : I want to bring to your notice that the Cooperative Societies Act says that the Government could also appoint its auditors along with the chartered accountants. So, it does not make any difference.

SHRI M. ANANDAM : I am also coming to that particular aspect of it.

*(Interruptions by Shri A. D. Mani)*

THE DEPUTY CHAIRMAN : Do not interrupt him, Mr. Mani. He is explaining.

SHRI M. ANANDAM : I would like to bring to the notice of Mr. Kulkarni various provisions of the Companies Act. There is not only Section 224 which Mr. Arjun Arora now seeks to amend, but there are other Sections, 232A, 233, 245 to 259, which deal with audit. Sections 245 to 259 say that if the Government feels that a special audit is necessary for a company, it can carry on its audit ignoring the auditors that have been appointed in a general body meeting and the report of such a special audit is given to the Government and not to the shareholders and it is on the basis of that report that the Government takes action against the company for any irregularities. Similarly, there is also a provision in the Act for having a special investigation audit. In the case of a special investigation audit also, the Government can refer a particular aspect of any account of the company to the investigation committee and an inspector is appointed to go into the affairs of the company and make a report to the Government. Why I am saying all this is because Mr. Kulkarni feels that it is only the auditor who does all the work, who goes into the accounts. I want to point out that there are other provisions in the Companies Act which enable a special auditor or an investigator to go into the company's accounts and report to the Government . . .

SHRI A. G. KULKARNI : Rarely.

SHRI M. ANANDAM : If it is done rarely, that only shows the independence and the integrity of the auditor. It does not show that the auditor has not been good in his work.

Here I would like to draw a small distinction between the two types of companies that we have in India. One is the Government company and the other is the private company. So far as the

Government company is concerned, the appointment of an auditor is made by the Comptroller and Auditor General of India, and he audits the accounts. The Section also says that the Comptroller and Auditor-General can ask the auditor to go into certain specific matters relating to the company so that he may report on those things. But in the case of a private company this type of provision is not there because it is the democratic right of the shareholders to have their own auditor. It is the shareholder's fundamental right, as Mr. Mani has rightly put it, to have their own auditor and this auditor has to report to the shareholders. I do not know why we are trying to put a shutter on the appointment of an auditor and rotate him. I think a time will come when we, Members of the Rajya Sabha, would say that we should not be Members for more than two or three years or that there should be a provision that Members of Parliament should not continue for more than two or three years . . . *(Interruptions)*

SHRI A. G. KULKARNI : We are elected representatives of the people. We are not the representatives of the whims of industrialists. We are people's representatives.

SHRI M. ANANDAM : It applies to every kind of a democratic institution.

*(Interruptions by Shri A.G. Kulkarni and Shri A. D. Mani)*

THE DEPUTY CHAIRMAN : Please do not interrupt him. Let him finish his speech.

SHRI M. ANANDAM : The auditor is a representative of the shareholders. He is appointed by the shareholders and if there is continuity, there is continuity because the shareholders feel that the auditor has been independent, has been doing his job quite efficiently.

Madam, I would conclude with only one thing more. This matter had been gone into by the Government itself in 1958 and also by the Council of Chartered Accountants in 1959 and on both the occasions the recommendation was that there should not be any restriction with regard to the appointment of auditors. So far as continuity is concerned, may I also say that this matter has come up for discussion on various occasions in various other countries—in the United States of America also—and a body of certified public accountants in one of their

reports said that continuity is necessary so far as the auditor's advice to his clients is concerned. They said that it is desirable in the interests of the company itself to have continuity so far as the auditor is concerned.

I therefore say that this Bill is ill-timed, unwarranted, unjust and unfair so far as the profession of Chartered Accountants is concerned and I must say that Mr. Arora has not brought out even a single case where there has been a collusion between the auditor and the management to warrant such a Bill.

**SHRI ARJUN ARORA** (Uttar Pradesh): Go through the Vivian Bose Commission report.

**SHRI M. ANANDAM** : I say with regard to the continuity.

**SHRI ARJUN ARORA** : It has revealed the corrupt practices of the profession to which you belong.

**SHRI M. ANANDAM** : That is true, I quite admit it. It is said in general terms but he has not brought out a single point to substantiate his own point. So I oppose his Bill and I would request the Government to take up this matter and appoint a Committee to go into the matters relating to the profession and see that a more regulated Bill comes up before the House.

**SHRI M. N. KAUL** (Nominated) : I do not want to make any sweeping allegations against the profession of auditors. There are well-known firms with an excellent record and there are other firms whose actions have been questioned. The truth of the matter is that it is too late in the day to contend that the right of the shareholders will be interfered with if, for instance, the Auditor General is authorised by appropriate amendments in the Companies Act to appoint auditors of private companies. I do not think any such provision will conflict with the Fundamental Rights. In the name of the shareholders it is said that it will be a restriction on the right of the shareholders. We know that a majority of the poor shareholders know nothing about it. It is those who control from 25 to 33 per cent. of the shares who actually dictate what is going to happen in the company. It is also important that the whole question of the role of the auditors is examined by the Government carefully.

What happens today is that the whole thing proceeds on the basis of the accounts but much of the mischief takes place before the income is entered in the accounts when a part of the income has already disappeared and part of the expenditure is not actually incurred but vouchers are on record of the company to show that the expenditure has been incurred. It is that kind of malpractices which occur in some of the companies that have to be checked and controlled. Today the auditors, it is within our knowledge, are continuously being consulted by the management as to how to put through certain matters. The auditors appointed by the management advise them throughout the year as to how to cover up various matters and how to plug the loopholes, so that they are not caught ultimately. So far as the auditor is concerned, it is a mechanical audit of not much consequence. So long as the receipts and vouchers are there, he says it is O.K. The concept of higher audit has not yet been introduced so far as the management of private companies is concerned. What is called the 'legitimacy of the transactions', should be subject to careful audit. Further the concept of concurrent audit should be introduced. The audit should be taking place as the business of the company proceeds and not at the end when many things can be made up in certain ways. That has to be checked effectively. The Government have many powers to-day but those are reserve powers and they are rarely exercised. The mischief that is happening in some of the companies should be located concurrently and controlled and that cannot happen unless there is a man on the spot in the person of an auditor who is appointed by an independent authority, to whom he is responsible, who makes a report not only at the end of the year but he should have the power to make surprise visits and where necessary to make concurrent audit so that while the company is functioning, it may be necessary in case he gets any adverse report, to report to the Government as to what is happening. What happens now is a post mortem examination. What is vital is, this examination should be concurrent and that cannot happen unless a careful watch can be kept over the companies by auditors who are appointed by an impartial authority and who owe responsibility to him and their powers are enhanced so that they can make surprise visits and go through the accounts whenever they get adverse reports on any matter from private individuals.

**SHRI A. D. MANI :** I would like to be very brief in my observations. I am not in favour of rotating the auditors because the way in which a concern should be carried on is the main concern of the shareholders who own that concern. If the shareholders are sleeping, if they are not alert, they have to pay for it. My friend Shri Kaul referred to concurrent audit.

**SHRI B. K. P. SINHA (Bihar) :** Is he referring to auditors or editors?

**SHRI A. D. MANI :** Auditors. My friend referred to concurrent audit. I was a director of the Audit Bureau of Circulation which has maintained a list of the most reputed auditors in the country and the Audit Bureau standards are so rigorous that a paper will be hammered if it discloses some discrepancy in regard to the figures of circulation. He talked very lightly of concurrent audit. Does he know how much it will cost a paper or any other concern? For auditing a balance sheet the auditors have to be paid a fee fixed on the basis of the percentage of the total turnover. It will only saddle these concerns with heavy audit fees.

**SHRI A. G. KULKARNI :** If an auditor or managing agent of a big newspaper group sells away certain imported newspaper, how is the auditor going to find it out?

**SHRI A. D. MANI :** If an M.P. disposes of a car which he has secured under certain privileges, what action can you take? My point is neither Mr. Kulkarni nor Mr. Kaul is going to make a perfect world just because the Auditor General is going to appoint an auditor. There is going to be malpractice even in the Government.

**SHRI A. G. KULKARNI :** What happened to the Times of India case?

**SHRI A. D. MANI :** The prosecution is going on there. Madam, if under your chairmanship there is no freedom of speech in this House, I am prepared to resume my seat.

**THE DEPUTY CHAIRMAN :** He is supplying you information.

**SHRI A. D. MANI :** The concurrent audit will throw a very heavy weight on the concerns. The Institute of Chartered Accountants has come into being and it has its headquarters in the Indraprastha Estate. Unfortunately very

few people have the courage to go and lodge a complaint before them. We want people to muster all courage and file complaints in the Institute to see that the CAs are punished if they indulged in malpractices or discrepancies in regard to accounting.

Shri Kaul referred to higher audit. Even in the Government, once a receipt is produced, is it possible for even the Auditor-General to go there personally and ask the man concerned : "When did you take the money? Who were your witnesses? Where have you deposited the money?" Higher audit in the case of commercial concerns is very difficult and would make the smooth commercial operation very difficult. I am totally opposed to Mr. Arora's Bill because I feel that it constitutes a serious infringement and violation of the Fundamental Rights. Already our rights are being restricted in the name of socialism, state capitalism and so on. The way we run our concerns is our business and if anybody feels aggrieved, let him file a complaint before the Institute of Chartered Accountants and get the auditor punished.

**THE DEPUTY CHAIRMAN :** Next the Minister will intervene. The House stands adjourned till 2 P.M.

The House then adjourned for lunch at one of the clock.

The House reassembled after lunch at two of the clock, **THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA)** in the Chair.

#### STATEMENT BY MINISTER *RE* BANARAS HINDU UNIVERSITY INQUIRY COMMITTEE REPORT

**THE MINISTER OF EDUCATION AND YOUTH SERVICES (PROF. V. K. R. V. RAO) :** Sir, as the House is aware, the President, in his capacity as the Visitor of the Banaras Hindu University, appointed in December 1968 a Committee of Inquiry under the Chairmanship of Dr. P. B. Gajendragadkar to enquire into the state of unrest and agitation in the University and to make recommendations for remedying the situation. The Committee submitted its Report to the Visitor on the 12th July, 1969 and has suggested remedies of a far-reaching character.

The Committee has divided its recommendations into two categories. The first is directed to help to introduce on the University campus an