

RAJYA SABHA

Thursday, the 1th December, 1967/ the 16th
Agrahayana, 1889 (Saka)

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

ORAL ANSWERS TO QUESTIONS

MANAGEMENT OF BRITISH INDIA CORPORATION

*389. SHRI M. P. BHARGAVA :
Will the Minister of INDUSTRIAL
DEVELOPMENT AND COMPANY
AFFAIRS be pleased to state :

(a) whether it is a fact that the Government of India have 22 per cent shares, the Life Insurance Corporation 16 per cent and the Unit Trust of India 8 per cent shares in the British India Corporation;

(b) what is the share holding of Bajorias;

(c) the reasons for which the management is entrusted to Bajorias;

(d) whether it is a fact that the profit of the Corporation have gone down from 15 per cent in 1963 to nil in 1966; and

(e) if so, what are the reasons therefor?

THE DEPUTY MINISTER IN THE
MINISTRY OF INDUSTRIAL DEVELOPMENT
AND COMPANY AFFAIRS
(SHRI BHANU PRAKASH SINGH) :

(a) Percentages of the holdings of shares by the President of India, Life Insurance Corporation of India and Unit Trust of India are 22.21, 16.67 and .62 respectively.

(b) Holdings of the Bajorias, their friends and associates come to about 41 per cent.

(c) During the period May 1958 to October 1962, the company was under the control of the Board of Directors appointed by the Allahabad High Court on a petition presented under Sections 397 and 398 of the Companies Act. In 1962, the Bajorias indicated that they were holding 41 per cent of the shares in the company and expressed their willingness to co-operate with the Government and the LIC to have a Board appointed by the shareholders that would command the general confidence of the public and the Government. The Government and LIC supported the application which some shareholders filed before the Court praying for a direction for calling an early general meeting for electing a new Board of Directors, on the understanding that the new Board to be proposed for election should be one, the constitution of which is approved by the Central Government. A General meeting was accordingly held in October, 1962 at which the Directors were elected in accordance with the list agreed to by the Government. The management is under the control and direction of the Board of Directors, the composition of which and changes thereon from time to time are approved by the Central Government.

(d) and (e) A statement showing the profit earned by the company during 1963 to 1966 and the provisions made for depreciation, development, rebate, reserve and taxation and reasons for the decline in profits is laid on the Table of the House.

STATEMENT

The British India Corporation Limited

	1963	1964	1965	1966
	Rs.			
1. Surplus for the year including items relating to the previous years.	2,36,07,055	1,30,44,406	50,00,323	7,95,816
2. Provision for depreciation.	9,37,418	13,84,890	19,75,687	19,96,518
3. Provision for development rebate reserve.	1,75,055	11,78,561	2,05,578	12,74,835

4. Net Profit (Before Tax).	2,22,04,132	1,11,91,773	22,23,244(-)	11,79,603
5. Taxation.	1,33,00,000	52,50,000	11,00,000	..

Reasons for decline

According to the Company, 1963 was an exceptional year both for the Company's woollen Branches as well as for the Cooper Allen Branch on account of huge orders received from Government against defence requirements amounting to nearly 60 per cent of their production. In 1966, the Cooper Allen Branch suffered loss on account of diminution in orders received by the company for defence requirements, old and obsolete machinery and surplus labour. During 1963 the import licence granted to the Company's woollen branches amounted to Rs. 70 lakhs but for the year 1966 the value of the import licence for wool allocated to the company was only Rs. 6.15 lakhs. The company had to import wool against export promotion licences and N. D. R. certificates at a high premium raising the cost of raw materials. Devaluation has also raised the cost of raw materials and components imported against licence granted to the company. Other factors have been the increase in average dearness allowance from Rs. 66.70 per month in 1963 to Rs. 106.75 per month in 1966 and fall in dividends from investments.

SHRI M. P. BHARGAVA : May I know from the hon. Minister whether he is aware that as far back as 1962 the then Prime Minister, Pandit Nehru, wrote a letter to the then Commerce and Industry Minister reading as follows :

"Our army people require large quantities of cotton and woollen textile materials, also special protection clothing and equipment for use in snow-bound mountain areas, parachutes, nets and so on.... Private industry does not like to make particular types of clothes. Thus considerable time is wasted between the quality and the delivery time taken and so on...."

In the end he wrote :

"Many of these things come from the BIC. It is, therefore, important and desirable to control the BIC and gradually bring it into the Public Sector."

May I know, Sir, what steps he has taken to implement the wishes of the late Prime Minister or is he going in just the reverse direction of handing it over to the private industry completely? I am sorry the facts given by the hon. Minister are misleading. Bajiorias do not control 41 per cent shares. They control only 11 per cent shares. The rest of the shares are mortgaged with the bank. The Government has 43 per cent shares: they are held by the Government and the Life Insurance Corporation. Now having 43 per cent shares in the holdings, I do not know why the management has been handed

over to those whose shareholding is only 11 per cent. Will the Minister throw some light on this aspect of the question?

SHRI FAKHRUDDIN ALI AHMED) : Sir, it is true that the late Prime Minister, Pandit Jawaharlal Nehru, wanted that this particular unit should be managed under the public sector and this matter was examined by the then Minister in-charge of Commerce and Industry and a reply was given to the Prime Minister that after discussing the matter it was considered that this should not be undertaken in the public sector because it would involve enormous expenditure and the arrangement arrived at was that there will be a management in which some of the Directors will be appointed with the approval of the Government, and that was accepted by the Prime Minister at that time. So, this step was taken long back, in 1962, after the receipt of the letter from the then Prime Minister.

Now so far as the question of Bajiorias holding 41 per cent shares is concerned, we have stated it is not only Bajiorias but also their friends and associates and they together hold 41 per cent, of the shares. This is according to the amounts indicated in our books. We have given the correct figures. Therefore there is no question of concealing the figures.

SHRI M. P. BHARGAVA : Mr. Chairman this is a very important question and I would, therefore, crave your indulgence to allow me two or three supplementaries.

May I know from the hon. Minister whether it is a fact that the BIC invested Rs. 52 crores in their sugar mills recently and now the controlling shares of those sugar mills have been sold for Rs. 52 lakhs to some private party and, if so, what were the reasons for transferring the controlling shares to private parties?

SHRI FAKHRUDDIN ALI AHMED : Sir, it is a fact that the BIC had been holding some shares in the two sugar mills and these shares had to be sold under the direction of the State Bank of India which was pressing for the return of the loan given to the BIC. From the account I find that the total amount invested in the purchase of shares was about Rs. 39 lakhs and after the sale of these shares the amount received by the company is Rs. 37.5 lakhs, that is to say Rs. 1.5 lakhs less than the amount that was invested. But there was another amount of Rs. 25 lakhs, the amount which was advanced by the BIC to the sugar factory and which the Bank wanted that it should be returned to them. So in fact the shares have been sold for Rs. 62.5 lakhs. That is much more than the amount which was invested by the BIC in those sugar factories. This has been done under instructions from the State Bank of India because they were pressing for the return of the loan which they had advanced to the B.I.C.

SHRI M. P. BHARGAVA : May I know whether the hon. Minister is in a position to deny that the Commerce Minister called on him on the 25th November along with Mr. B. P. Bajoria and Mr. Rameshwar Tantia in order to get managing directorship for Mr. Tantia and after that is it a fact that a telephonic communication was sent by the Minister to Raja of Bhadri in the midst of the Board's meeting, when the Raja of Bhadri, the sole spokesman of the Government in the Board, was insisting on constitution of the Board as per Government's directive?

SHRI FAKHRUDDIN ALI AHMED : So far as the first question is concerned, it is a fact that the Minister of Commerce discussed this matter . . .

SHRI A. G. KULKARNI : I should like to know whether the reference is to the present Minister of Commerce or the ex-Minister.

SHRI FAKHRUDDIN ALI

AHMED : The present Minister discussed the matter with me. But so far as the second question is concerned, I do not know what transpired.

SHRI M. P. BHARGAVA : Is he in a position to categorically deny that Shri Rameshwar Tantia will not be appointed Managing Director? Arising out of this supplementary I want an assurance from the hon. Minister that Shri Rameshwar Tantia will not be appointed Managing Director of this company.

(No reply)

SHRI NIREN GHOSH : Sir, I have a question.

MR. CHAIRMAN : I will certainly call you.

SHRI KRISHAN KANT : May I know from the hon. Minister if it is a fact that adverse opinion was expressed by Mr. A. K. Roy, the then Comptroller and Auditor-General of India, on the holding of the Government in the equity share capital? If so, what are the details of that opinion and what action did the Government take on that opinion of the Auditor-General and what were the circumstances in which Mr. A. K. Roy was appointed a Director of the B. I. C? Was he a nominee of the Government or of the Bajorias, and how did he leave the B.I.C?

SHRI FAKHRUDDIN ALI AHMED : So far as the appointment of the ex Auditor-General is concerned, as the hon. Members are aware, the arrangement between us was that, whenever any name is suggested by the Board of Directors, that will be subject to the approval of the Government. So the arrangement in consultation was that such names were put up which would be acceptable both to us and to other shareholders. Accordingly Mr. Roy's name was sent to us and Government did not raise any objection to it and he was appointed as a Director of the company.

SHRI KRISHAN KANT : I had asked the hon. Minister if an adverse opinion was expressed by Mr. A. K. Roy, the then Auditor-General, on the holding of the Government in the equity share capital and, if so, what were the details of his opinion.

SHRI FAKHRUDDIN ALI AHMED : I have not seen that opinion.

SHRI BANKA BEHARY DAS : Sir, I want to know from the Minister. . .

SHRI ARJUN ARORA: Sir, the B.I.C. is in Kanpur and I come from Kanpur and I should be allowed to put a question.

MR. CHAIRMAN : I shall give you a chance.

SHRI BANKA BEHARY DAS: There are non-Congress voters in Kanpur also; all are not Congress.

I want to know from the Minister whether the Government has entered into any understanding, either oral or written, that they will not maintain more than 39 per cent, of the equity shares, and also I want to know from the Minister whether he is prepared to enquire into the fact whether the Bajorias and their friends actually own 41 per cent, of the equity capital, and whether Government has also assured them that they will maintain to that extent.

SHRI FAKHRUDDIN ALI AHMED : As stated in the written reply to the question the percentage of shares held by Government, the L.I.C. and the Unit Trust of India comes to about 39.5 per cent. And so far as the shares held by the Bajorias and their associates are concerned, it comes to 41 per cent, according to our books. But if anything has happened during the last three or four months, it is not possible for me to indicate that figure until and unless these figures are made available to me.

SHRI M. P. BHARGAVA : Sir, ...

MR. CHAIRMAN : I will certainly equitably distribute the favours to all.

SHRI M. P. BHARGAVA : I would like to make just a submission and the submission is that all the facts are not likely to come out during questions. Therefore, I will submit most humbly—because it is playing with the public money—that time be allotted for a discussion of this question, that one hour be allotted for this purpose to save the time of the House now.

MR. CHAIRMAN: I shall consider your request.

श्री राजनारायण : श्रीमन्, मैं श्री भार्गव साहब के सुझाव से सहमत हूँ। मैं यह जानना चाहता हूँ कि श्री बजोरिया, श्री रामेश्वर

टांटिया और राजा साहब भद्री ये कौन साहब हैं।

SHRI NIREN GHOSH : What is the question?

श्री राजनारायण : क्या सरकार इस सुझाव को मानेगी कि रामेश्वर टांटिया, राजा साहब भद्री और श्री बजोरिया यानी जिन-जिन लोगों का इस चीज से संबंध है और सरकार इन कम्पनियों में जितने शेयर रखती है, उनका पूरा नक्शा और ब्योरा सदन के सामने आना चाहिये। क्योंकि जो एक्स राजा यानी भूतपूर्व राजा रहे हैं, उनको कहीं न कहीं गवर्नर बना दिया गया है और वे जहाँ-जहाँ गवर्नर रहे हैं, वहाँ-वहाँ उन्होंने जायज और नाजायज तरीके से कितनी सम्पत्ति जमा कर ली है, इन सब का भी ब्योरा सदन में आना चाहिये। तो मैं यह जानना चाहता हूँ कि क्या सरकार हमारे सुझाव को मानती है ?

श्री फ़ख़रुद्दीन अली अहमद : आपका क्या सुझाव है ?

श्री राजनारायण : मेरा सुझावात्मक प्रश्न यह है ...

MR. CHAIRMAN: It is a suggestion for action.

श्री राजनारायण : मेरा सुझावात्मक प्रश्न यह है कि क्या सरकार हमारे इस मसविदे पर गौर करेगी कि इस संबंध में कमेटी बने और वह कमेटी राजा साहब भद्री, श्री रामेश्वर टांटिया, श्री बजोरिया और इसी तरह के जितने बड़े-बड़े बिजनेसमैन हैं, उनकी जितनी कंपनियां हैं उनमें सरकार कितना शेयर रखती है। हमारे देश के जो भूतपूर्व राजा लोग हैं जो जहाँ-तहाँ गवर्नर रहे हैं, वहाँ-वहाँ उन्होंने जायज और नाजायज तरीके से जो धन कमाया है तो उसकी पूरी जानकारी सदन को बतलाई जानी चाहिये।

श्री फ़ख़रुद्दीन अली अहमद : यह बात किस तरह से मानी जा सकती है क्योंकि हर कंपनी एक आटोनोमस बॉडी होती है और उनके बोर्ड आफ़ डायरेक्टर्स जो होते हैं उन्हें शेयर-होल्डर्स इलेक्ट करते हैं और यह कंपनी लॉ के मातहत होता है हम तो तब ही ऐक्शन ले सकते हैं जब किसी के खिलाफ़ रिपोर्ट आये और रिपोर्ट में यह माना जाय कि उन्होंने कोई ग़लत काम किया है। जब इस तरह की बात हमारे सामने आती है तब ही हम इन्टर-फ़ियर कर सकते हैं।

SHRI ARJUN ARORA : Sir, may I know if even after Mr. K. C. Reddy turned down the suggestions of the then Prime Minister Jawaharlal Nehru the advisability of the Government acquiring the B.I.C. was ever considered by the Government? And, secondly, may I know if during the last two months the Government ever negotiated the application of the Bajorias—in respect of their shares—with the Bajorias and whether the Bajorias were willing or unwilling to part with their shares in the B.I.C. and if the Bajorias were unwilling, what action does the Government propose to take? If the Bajorias were willing, why the Government turned down the offer? And, thirdly, I want to know this. The Government has been repeatedly saying that the Government has no Directors in the B.I.C. But the fact remains that Mr. Sri Pra-kasa is the Chairman nominated by the Government. Before that Mr. Satish Chandra was the nominee of the Government, and he functioned as Chairman. Why did the Government play with the B.I.C. and why did the Government jeopardise the employment of 20,000 people in Kanpur during the last six months? The Board of Directors has been incomplete. One Minister after the other has been suggesting the inclusion of one favourite or the other in the B.I.C. and the result is that the management of the B.I.C. is paralysed and the workers, the officers and the employees are all in panic.

SHRI FAKHRUDDIN ALI AHMED : Sir, there are a number of questions which have been put by the hon. Member. The only thing I would like to say is this that, so far as the Bajorias are concerned, they have seen

me and they have offered their shares to the Government, and if the Government.

SHRI ARJUN ARORA : Accept the offer.

SHRI FAKHRUDDIN ALI AHMED : Now I wish I could give a quick reply as the hon. Member can do. There are many things; many aspects have to be considered, and what procedure and what action should be taken by the Government, in order to have complete control over this thing. I think this matter may be left to us to decide and that we may not be hustled to take a decision which may not be of advantage financially to the Government and to the other shareholders of the company. Now, so far as the other question is concerned there are the directors who are in a position to look after the company. The Chairman is there, the Vice-Chairman is there, the Managing Directors are there and they are in a position to look after the management of the company. Two vacancies are there and as I have said, the arrangement is that these directors have to be appointed with the approval of the Government and certain indications were given. And with reference to those indications names suitable to us have not been sent. As soon as names suitable for the approval of the Government are sent we will certainly take necessary action.

SHRI BHUPESH GUPTA J Sir, from the papers that I have got in my possession it seems that the percentage of Bajoria's proxies come to about 40 per cent. And a large number of shares are also pledged with the Punjab National Bank proxies for which could easily be obtained by the Government. There are also, according to the information with me here—and we would like this to be verified—so many, at least 45 per cent of the shares of the B.I.C. which belong to numerous small shareholders and they would be anxious to entrust them to the Government so that the Government could act on their behalf. In view of these possibilities and when the Government can easily control, taking proxies and acting on the proxies, all these things, and also take over the control of the bulk or the majority of the shares and establish full and effective control of the company, why is it that this is not being done? That is what we would like to know. While it appears that the

Government has not secured proxies, is it a fact that even individual members like, for example, Shri Dahyabhai Patel got 10 per cent proxies? He could obtain that. I am not saying good or bad, but 10 per cent, proxies he could get. And you do not utilise this opportunity that you have with the Punjab National Bank, which also holds so many shares pledged with them. There are also small shareholders who could be utilised for this purpose. Sir, in this particular case, having regard to all these things Government is not taking proper action for establishing control in terms of the letter of Shri Jawaharlal Nehru. And I want to know whether it is not a fact that Raymonds with four crores worth of wool have made a profit of a crore, whereas the B.I.C. with eight crores worth of wool have run into a loss of Rs. 20 lakhs. Is the hon. Minister aware that this is due to their buying their wool somewhere and there is a shady deal there and it shows a loss because they are making arrangements by which they buy at very high prices and. ...

MR. CHAIRMAN : You are taking a long time.

SHRI BHUPESH GUPTA : I am just now finishing, Sir. In view of all these things so far we have not got any explanation and the Government is not giving us the facts. There is no use saying that the Government has so much power and so on. The facts are there. The small shareholders are there who are ready to entrust the responsibility to the Government and the Government is in a fit position to act. But now we find that negotiations and discussions are going on with one Tantia and one Ganguly, a retired ICS officer, and they want to bring in one Himatsinghji, for example. Therefore, all these things should be cleared and the hon. Minister should tell us whether we can have an assurance that not one of these people will find a place there?

(No reply)

(Interruptions)

SHRI A. D. MANI: Sir, Some 25 minutes have been taken up over this discussion on this matter.

(Interruptions)

SHRIMATI C. AMMANNA RAJA : Sir, do Members catch your eyes or your ear?

SHRI BHUPESH GUPTA : Which would you prefer, Madam?

MR. CHAIRMAN : You sit down.

SHRI A. G. KULKARNI: I have been called.

SHRIMATI C. AMMANNA RAJA : Whatever is parliamentary procedure should be there.

SHRI NIREN GHOSH : No, I have been called.

MR. CHAIRMAN : I will come to you later. Now, Mr. Ghosh.

SHRI NIREN GHOSH: May I know whether there is not an agreement between the Government as the owners and the Bajorias as the management of this concern? And secondly, I would like to know whether the Government wrote to the B.I.C. to appoint the Raja of Bhadri as Vice-Chairman and Shri Himatsinghji of Mansi and Shri S. N. Bilgramin as directors and if so whether this Raja of Bhadri is the person against whom there are several charges of corruption when he was Vice-Chancellor of Rudrapur University and also during his tenure as Lieutenant-Governor of Himachal Pradesh? Particularly I want to know whether the names of Shri Himatsinghji and Shri Bilgramin have been suggested and whether all of them are favourites of the present Commerce Minister?

SHRI FAKHRUDDIN ALI AHMED : There is no terms of agreement between the Bajorias and the Government. When this B.I.C. was under the orders of the High Court being managed by the Directors appointed by the High Court, Bajorias who held a large number of shares approached the Government saying that it would be desirable to have the management in which, the Directors would be appointed in consultation with the Government. Therefore, the Government also joined with them in the application and the High Court withdrew the order and a shareholders' meeting was allowed to be held which elected the Directors in order to run this company, and the Directors have since been subject to the approval of the Government. So far as the name of the Raja of Bhadri is concerned, he has been a Director of this company before. He is not a new Director and...

SHRI ARJUN ARORA : No, he is a Government nominee.

SHRI FAKHRUDDIN ALI AHMED : But he had been a Director of the Company before.

SHRI ARJUN ARORA : But I say he is a Director nominated by the Government.

SHRI FAKHRUDDIN ALI AHMED : I say no new name has been suggested. He had been a Director of the Company before. The question of suggesting new nominees does not arise.

So far as the other two names are concerned, Mr. Roy was already a Government nominee and Director of the Company and he is no longer a Director of the Company. So in his place some name has to be suggested. Also there was another vacancy where also a Government nominee had to be appointed. So with regard to these two names suggestions were sent to the Company to nominate two Directors who will have the approval of the Government.

So far as the allegations against the Raja of Bhadri are concerned, I do not know whether we are concerned with that matter in connection with this question here about the B.I.C. I do not think this has any relevancy here as to what the Raja of Bhadri did as Vice-Chancellor or anything else.

SHRI RAJNARAIN : Point of order.

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

श्री राजनारायण : चेयर मुझे बुला रहा है और आप 'सर-सर' कर रहे हैं। असल में जिनका कपार ठीक नहीं है वह 'सर-सर' बहुत चिल्लाते हैं।

श्रीमान्, मेरा आपसे निवेदन यह है कि मैं आपसे यह व्यवस्था चाहता हूँ कि क्या चेयर जिस बात को किसी मिनिस्टर से ज्यादा समझता है और चेयर की समझ में यह बात आती हो कि मिनिस्टर गलत-बयानी कर रहा है तो उस समय चेयर के लिए टोकना फर्ज होता है कि नहीं? मैं जानता हूँ कि आप (Interruptions.) वे वाइस-चांसलर थे। राजा भद्री के बारे में इस सदन में जितना

हम जानते हैं उससे ज्यादा हमारे चेयरमैन जानते हैं। इसलिए मैं आपसे निवेदन करता हूँ कि जिस प्रश्न को आप हमसे ज्यादा समझते हैं उसमें आप टोक दिया करिए कि गलत-बयानी यहां नहीं होनी चाहिये। अगर आप ऐसा करें तो क्या यह संसदीय नहीं होगा? श्रीमान्, मैं आपसे यही पूछना चाहता था।

MR. CHAIRMAN : He was not my Vice-Chancellor.

SHRI ARJUN ARORA : He came after you had gone to Mysore.

SHRI A. G. KULKARNI : Sir...

SHRI ARJUN ARORA : Sir, my point of order.

MR. CHAIRMAN : I would like not to have points of order raised in question time.

SHRI A. G. KULKARNI : May I know from the Government whether there is any proposal to make Mr. A. K. Roy, ex-Accountant-General, who is now on the Board of Directors, Vice-Chairman of the B.I.C.? Secondly, may I know from the Government whether the B.I.C. has fraudulently misappropriated Rs. 33 lakhs of provident fund money of the workers, and...

SHRI BHUPESH GUPTA : Saxaria Mill.

SHRI A. G. KULKARNI : ... thirdly may I also know whether in connection with this Bajoria and the B.I.C. that famous scandal in regard to wool as reported in Blitz has also been enquired into?

SHRI FAKHRUDDIN ALI AHMED : I have pointed out that Mr. Roy is no longer the Director of the Company; he has resigned. When he was a Director he was the Vice-Chairman of the Company.

SHRI A. G. KULKARNI : Is he not the Chartered Accountant of the Company and is he not auditing the accounts of the firm now?

SHRI FAKHRUDDIN ALI AHMED : He is not the Chartered Accountant of the Company. He was on

the Board of Directors and when he resigned he gave up the Vice-Chairmanship also. He is no longer a member of the Board of Directors. So far as the allegations against the Bajorias are concerned I am not aware of them but if the facts are brought to my notice I will look into them.

WEEDING OUT OF CORRUPT RAILWAY OFFICERS

***390. SHRI A. C. GILBERT:** Will the Minister of RAILWAYS be pleased to state:

(a) whether it is a fact that a drive is in progress to weed out or punish the corrupt and inefficient officers on the Railways;

(b) if so, the particulars of Class I and Class II Officers on the Indian Railways who were weeded out or punished, separately, during the last two years by way of compulsory retirement, reversion to lower post or by way of transfer to other zonal Railways;

(c) whether the drive will be continued to streamline the Railway Administration; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI PARIMAL GHOSH) : (a), (c) and (d) The Railways are instituting energetic measures to take deterrent action against corrupt and/or inefficient officers and to weed out unsuitable ones, and will continue to do so in the public interest.

(b) The information is being collected and will be laid on the Table of the Sabha.

SHRI A. C. GILBERT: The hon. Minister is supposed to have every information. May I know whether it has come to the notice of the hon. Minister that a senior Chief Personnel Officer of the Western Railways was detected favouring his relations by giving them jobs, confirming them and even promoting them and may I know after being detected the officer was merely allowed to resign without taking any suitable action against him for the various malpractices committed by him and why?

SHRI PARIMAL GHOSH: There are 60 cases against Class I officers and 68 cases against Class II officers that

are now under investigation. I do not know whether the name of this particular officer mentioned by the hon. Member is in that or not. If it is there, investigations into their cases are being conducted.

SHRI A. C. GILBERT : The information which I gave is absolutely correct, and the Minister should come out with the facts. Now I would like to ask another question. Two Class I officers of the Northern Railway headquarters were transferred, to other zonal Railways. In one case the transfer was pending for six months and in another the officer was given three to four months' leave. May I know whether it is a fact that first pressure was brought to have the transfer orders cancelled and as it was not successful, leave was sanctioned in one case and in another case the transfer order was pending for six months? I would also like to know why action was not taken against these officers for bringing pressure on higher authorities and even on my Minister as well.

SHRI PARIMAL GHOSH : Sir, in the case of officers against whom any complaint of corruption, misconduct or inefficiency is being received, the matter is being investigated by the Railway Administration, by the Vigilance Departments in the Zonal Railways and also by the Central Bureau of Investigation. And on the basis of reports after investigation these matters are enquired into and punishment, if necessary is given to such officers. The hon. Member has given specific cases without mentioning the names and I . . .

SHRI A. C. GILBERT: I can tell you, it is the Chief Medical Officer of the Northern Railway and ...

SHRI PARIMAL GHOSH : have already stated that there are 60 cases of Class I officers and 68 cases of Class II officers against whom investigations have been started and the matter is in progress. I do not know if this officer's name is there but if it is there the matter is under investigation.

SHRI D. THENGARI : Is the Government aware that corruption is encouraged first under the contract system, secondly in regularising casual labour and thirdly because of frequent changes in the procedure of selection for promotion? Recently the Government had