

Satyacharan, Shri.  
 Savnekar, Shri Baba Saheb.  
 Seeta Yudhvair, Shrimati.  
 Sethi, Shri P. C.  
 Shah, Shri K. K.  
 Shah, Shri M. C.  
 Shakoor, Moulana Abdul.  
 Shanta Vasisht, Kumari.  
 Sharma, Shri L. Lalit Madhob.  
 Sharma, Shri Madho Ram.  
 Sherkhan, Shri.  
 Shervani, Shri M. R.  
 Shetty, Shri B. P. Basappa.  
 Shukla, Shri M. P.  
 Siddhu, Dr. M. M. S.  
 Singh, Shri Anup.  
 Singh, Thakur Bhanu Pratap.  
 Singh, Sardar Budh.  
 Singh, Shri D. P.  
 Singh, Dr. Gopal.  
 Singh, Shri Mohan.  
 Singh, Shri Santokh.  
 Singh, Shri Vijay.  
 Sinha, Shri Awadeshwar Prasad.  
 Sinha, Shri B. K. P.  
 Sinha, Shri Ganga Sharan.  
 Sinha, Shri R. B.  
 Sinha, Shri R. P. N.  
 Sinha Dinkar, Prof. R. D.  
 Subba Rao, Dr. A.  
 Sur, Shri M. M.  
 Syed Mahmud, Shri.  
 Tankha, Pandit S. S. N.  
 Tapase, Shri G. D.  
 Tara Ramachandra Sathe, Shrimati.  
 Tariq, Shri A. M.  
 Tayyebulla, Maulana M.  
 Thasnglura, Shri A.  
 Tripathi, Shri H. V.  
 Uma Nehru, Shrimati.  
 Vajpayee, Shri A. B.  
 Varma, Shri B. B.  
 Venkateswara Rao, Shri N.

Vijaivargiya, Shri Gopikrishna Vyas,  
 Shri Jai Narain. Wararkar, Shri B. V.  
 (Mama). Yajee, Shri Sheel Bhadra.  
 NOES—Nil

*The motion was adopted by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting.*

#### **HALF-AN-HOUR DISCUSSION *RE* BRITISH INDIA CORPORATION LTD., KANPUR**

THE DEPUTY CHAIRMAN: There is a Half-an-Hour Discussion. After this discussion there are two other Bills that we must finish this evening.

SHRI BHUPESH GUPTA (West Bengal): Why should we finish today? We can have them tomorrow morning.

SHRI A. D. MANI (Madhya Pradesh) : I have a submission to make. Some of us have got plans to leave after six. We would like the House to adjourn and the other Bills should stand over till the next Session.

SHRI A. B. VAJPAYEE (Uttar Pradesh): Yes, heavens are not going to fall.

SHRI BHUPESH GUPTA: I am in favour of these Bills being passed but I want them to be passed tomorrow morning. Why not? The Half-an-Hour Discussion can take place. Why should we wait longer? Tomorrow morning is there and no other business is there.

THE DEPUTY CHAIRMAN: The House must adjourn *sine die* today and therefore the two other Bills will be taken up after the Half-an-Hour Discussion.

SHRI BHUPESH GUPTA: Then two hours will have to be given. Two

hours are allotted and two hours I will take I am here.

THE DEPUTY CHAIRMAN: Mr. Patel.

SHRI DAHYABHAI V. PATEL (Gujarat): Madam, I am grateful to you and the Chairman for agreeing to give me a little time to raise this matter. It is a matter of great importance. It is only by persistent effort that I have been able to draw the attention of the House to how things are managed under the present circumstances. I heard ugly rumours in Bombay and elsewhere about what was going on behind the scenes. Therefore, one of the first few questions that I sent up for this Session was the question that came up on 4th August regarding the number of shares held by the Government of India, the L.I.C., the I.F.C. etc., certain equity and preference shares, and the answer was given on a certain date. The answer indicated that 40 per cent, of the shares of the B.I.C. were held by the Government.

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI K. C. REDDY) : And LIC.

SHRI DAHYABHAI V. PATEL: Do you want the number?

SHRI K. C. REDDY: I said, the *hue*.

SHRI DAHYABHAI V. PATEL: It was held by the Government. The L.I.C. is Government indirectly.

SHRI K. C. REDDY: Autonomous corporation.

SHRI DAHYABHAI V. PATEL: I will not argue the point just now. You may call it autonomous corporation but the Government has a predominant voice there, there is no doubt about it. The next question I raised was the question of proxies and how proxies are given.

[THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) in the Chair]

Unfortunately, the answer from the Finance Ministry was evasive. They said that the appointed authorities to look after the granting of proxies. Then came the question that I asked on 28th and fortunately for

me and the House, the question, unlike the two previous questions, came up sufficiently high so that I was able to ask supplementary questions and I was also fortunate in having the Prime Minister sitting in the House and one of the supplementary questions that I asked, registered with the Prime Minister, if not with the Minister for Commerce and Industry, was this. Everybody in this House saw that the Prime Minister, who got up, with changed appearance, went and sat down near the Commerce Minister and as usually happens when he is upset, things started waking up; otherwise what was planned, how it was planned, one could not understand. Was it the intention of the Government to give over control of a company that was making a profit of Rs. 1 crore to a person who held shares of 3 per cent, when the Government and the LIC held 40 per cent, of the shares? When this intention or objective of transferring this company or this management to a certain party or to a certain group—I will not mention the names—was talked about, I should like to know, and that is the question that I asked that day, whether the government made enquiries about the antecedence before the proxy was given? If the LIC went wrong, surely the Finance Ministry should have pulled them up. If the giving of proxy was wrong in any manner, it can, even now, be pulled up and asked to withdraw the proxies. Why should a company making an annual profit of a crore of rupees, be proposed to be handed over to a group of people I do not know. I asked questions that day, but no answer was forthcoming. I asked whether there were arrears of income tax and *it* so, for how many years. I thought it was for five years. But today I understand that it is actually fifteen years. I also under-

[Shri Dahyabhai V. Patel,]

stand that the same party or group was fined heavily by the Customs Authorities for trying to import machinery into this country terribly under-invoiced. I am very sorry to say that the inference is very obvious. Why did they want to make a defeated Deputy Minister of Government the chairman of this concern? Did he show such very great ability during the period that he showed his presence in this House or in the other House that he should be made the chairman of this company which is making an annual profit of a crore of rupees?

The suspicions that the people entertain in their minds about these deals are very obvious. It is time that the Government woke up. The Prime Minister has woken up, fortunately, and I hope he will wake up the whole Cabinet. But there is something very seriously wrong about the whole deal. In my speech on the LIC I called this the reversal of the Mundhra deal. As a result of the Mundhra deal, the Government acquired certain corporations and certain companies. Government had to do it, because they were badly managed. I have with me copies of applications that people have made, applications they have made before the Allahabad High Court, and they have written to me saying that they have drawn the attention of the Court that the person to whom these companies are proposed to be given over is, more or less, Mundhra himself. Is the Government acquiescing in this? The shareholders are. . . .

SHRI K. SANTHANAM (Madras): Why don't you name the person?

SHRI DAHYABHAI V. PATEL: The shareholders, I believe, have submitted an application to the Prime Minister and to the Government, pointing out this. There is a poor lady who holds some 100 shares and she is worried as to what would happen. During the Mundhra period the share I

value of the BIC fell to a ridiculously low figure. Now, on account of the management by the Life Insurance Corporation of India, the company shares went up. But as soon as there was confidence and prices of shares went up. But as soon as rumours started that this company is being handed over to somebody else, to Mundhra under a different name or whatever it is, the prices have again started going down.

There is also another aspect to this problem. This group is the largest industrial unit in Kanpur. They control large textile mills and two of the largest woollen mills of the country, very well known under the names Lalimli and Dhariwal. They belong to this group.

SHRI K. SANTHANAM: Name the group.

SHRI DAHYABHAI V. PATEL: And! they also own a dozen sugar mills and the labour employed by them is 20,000. As many as 20,000 workers of Kanpur are employed by these concerns, about half of Kanpur's labour. Having acquired control of all that, by force of circumstances and because of the Mundhra episode, now this company is making huge profits. Why does Government want to give it to a private party without making sure of the antecedents of that party, and if I may say so, the integrity of the party that is considered for this purpose? It is not right that the Government should take shelter under the orders of the Court. The Government should take the responsibility when they do it very soon after the Mundhra episode where a Finance Minister of the Government of India had to go and a Finance Secretary had to lose his job. Why was there so much noise made at that time and why is there so much of hush-hush now? That is why I

say, this is a much more serious thing than the Mundhra deal. The Mundhra deal was the handing over of or the selling of certain shares to the LIC. Here

it is the reversing of it, namely, the handing over of the company to a party of doubtful and dubious means and integrity and intentions. It is a -very serious matter and the Government owes an explanation to the country and to Parliament as to why they have been acquiescing so quietly and why they are not coming out with a clear explanation. I repeat it, and I mentioned this matter not only during the question time, but in two of my speeches. But the Government were absolutely silent like the Sphinx. I hope, Sir, on the last day of Parliament, my efforts to make the Government open its mouth and come out with their true intentions will succeed. I started on the 8th August, and I hope Sir, that at least today, on the last day of Parliament and in the last hour of this session—at least this should have been the last hour—the Government will come out with a clear statement and let us know what their intentions are and why they were dilly-dallying all this time in this matter.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Mr. Saraogi, you can put your question.

SHRI ARJUN ARORA (Uttar Pradesh): I want to put a question.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): You cannot put it. You have not sent your intimation earlier.

SHRI PANNALAL SARAOGI (West Bengal): Will the hon. Minister be pleased to state the number of preference shares and the number of ordinary shares in the capital of the British India Corporation, held by the Government of India, in the name of the President of India and or of the Reserve Bank of India as well as the Life Insurance Corporation, separately?

Has the Government any knowledge about the number of preference shares and the number of ordinary shares held by Shri Bajoria in his own name or in the names of the company or

companies with which he is associated?

SHRI K. C. REDDY: Mr. Vice-Chairman, I am glad that this subject has come up for discussion, not on the last day of this Parliament as the hon Member said, but on the last day of the present session of the Rajya Sabha.

SHRI DAHYABHAI V. PATEL: I stand corrected, I meant the last day of the session.

SHRI K. C. REDDY: Yes, the hon. Member will have to stand corrected on a number of matters before I finish.

The hon. Member, while initiating the discussion, has made several statements which are of a very sweeping character. I wish he were right in his facts. I wish he were correct in his inferences and I wish he had made a close study of the history of this case from 1958 right up to now.

Sir, the very first thing that I would like to point out is this. What is the present pattern of management of this concern? In 1958, after the Mundhra episode, the LIC made application to the court to have an arrangement for the management of this concern. It has a long history and within the limited time that I have now, I cannot go into all the details about this matter. In 1958, on the petition filed by the LIC, the court passed an interim order, disqualifying Mr. Mundhra from acting as chairman of the British India Corporation and also appointed a board of directors. That was in 1958. Then again, on 28th November 1958, the court superseded the then existing board of directors and appointed what they called an interim committee of management. Throughout, it was the court that was deciding on the pattern of management. It was the court that passed orders and the court was seized of the matter. And later on, the court passed final orders on the

[Shri K. C. Reddy:] 22nd May 1961, reconstituting the board of directors, consisting of ten persons. Because the constitution of the board was not satisfactory, the matter went up to the Division Bench of the High Court and the Division Bench of the High Court considered the whole matter and passed its judgment. They constituted a board of directors of eight persons, according to which order, unfortunately, there was not a single representative of the Government of India. It is this board that is now discharging the function of the management of the various concerns under the B.L.C. So, the first thing that I would request the hon. Member to know is that Government as such, as a corporate body, if I may say so, has no control and no powers of management, as it is called, of these various concerns under the B.L.C. So, the question of the Government handing over management to some one else does not arise.

SHRI ARJUN ARORA: But it was an order by consent and the LIC was represented and gave its consent.

SHRI K. C. REDDY: It is a long story. I do not accept that statement in toto.

Hon. MEMBERS: What is the position then?

SHRI K. C. REDDY: I am coming to that. What I would like the House to know is that the Government is not managing these concerns. That is the point. This board of directors is in accordance with the judgment of the Division Bench of the High Court.

SHRI P. RAMAMURTI (Madras): Did the L.I.C. write to the Division Bench of the High Court that the L.I.C. also should have representation on the board of management since it holds large shares?

SHRI K. C. REDDY: Yes, certainly. The L.I.C. is represented on the board of management. Quite correct. For

some years there was a representative of the Government also but according to the latest order which is now enforced there is no representative of the Government of India.

SHRI K. SANTHANAM: Was that order by consent or not? That is the material issue which Mr. Arora has raised for which some reply has to be given. Was it or was it not by consent?

SHRI K. C. REDDY: There was no question of consent.

SHRI BHUFESH GUPTA: The Government acquiesced in it.

SHRI K. C. REDDY: If I am interrupted like this, I cannot proceed. If hon. Members will have the patience to hear me, I would certainly be able to clear many of their doubts. Unfortunately, there is limitation of time; otherwise I would have gone in more detail into this case. In fact the Government was not satisfied with certain aspects of the judgment. That is why certain steps are being taken in order to see that the judgment is revised. It was because the earlier judgment was not to our satisfaction that we went up in appeal. So, there are all these aspects but the point that I am now making is that the hon. Member's statement that the Government has handed over the management of these concerns to a third party is entirely out of court.

SHRI DAHYABHAI V. PATEL: I said 'proposing to hand over.'

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): You have had your say. Please do not interrupt.

SHRI DAHYABHAI V. PATEL: But he is misinterpreting me. I said that the Government is proposing to hand over.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): You hear him. Now it is his turn.

SHRI AKBAR ALI KHAN (Andhra Pradesh): When the Government is not having it, how can it hand it over?

SHRI K. C. REDDY: So, the present pattern of management is one which I would like the hon. House to take note of. There has been no attempt on the part of the Government to hand over the management of these concerns to a third party.

Having said this, I would like to mention that so far as shareholding is concerned, the Government and the L.I.C. between themselves hold about 40 per cent, of the shares. And how did the Government and the L.I.C. acquire this percentage? It has been said that during recent months or a little earlier than that the Government has been trying to shed the shares, to reduce their shareholding in these concerns. On the other hand throughout we have been making sustained endeavours to increase our shareholding. We have quite a number of shares from the exchange banks with whom the shares were pledged by Mr. Mundhra and others. We have purchased quite a large number of shares. We have been regularly purchasing shares to increase our holding. I would like to say one other thing. Even in the recent past we have not sold even a single share to any other party. Neither the L.I.C. nor the Government of India have sold a single share. That is another point that I would like hon. Members to note.

Now, in so far as proxy is concerned, the L.I.C. is a statutory corporation and the terms and conditions under which proxies can be issued are governed by certain sections of the Life Insurance Corporation act. Under those sections they might have acted; I do not know how they have acted. It is a matter on which I have not got detailed information at present. But they have not authorised any proxy. So far as the . . .

SHRI DAHYABHAI V. PATEL: Did I understand the Minister to say that no proxies had been given?

SHRI K. C. REDDY: Yes, yes.

SHRI DAHYABHAI V. PATEL: If this answer could have been given earlier to my question, the matter would have been very much easier.

SHRI K. C. REDDY: The Government were clear in their statement and the facts are unassailable. If the hon. Member had approached us or asked us or written to us, we would have placed all the facts at his disposal. There was absolutely no reluctance or hesitation in the matter of placing all the facts, all the cards on the table, relating to this matter. There is nothing hush-hush about it. There is no attempt to do something behind the screen. The Government of India does not want to do anything which is prejudicial to the healthy industrial development of the country. The Government, of all persons, will not be a party to hand over industrial concerns to parties which are not expected or which could not be expected to run these concerns on a satisfactory basis. That is the point I would like to make.

It has been said that the third party, to whom reference has been made in the letter to the Prime Minister and in the statement made on the floor of the House by the hon. Member, holds 3, 4 or 5 per cent, of the shares. It is absolutely incorrect to put it very mildly. They hold between themselves more than 30 per cent, of the shares and the other 30 per cent, is held by odd individuals and various persons. What happened is this. According to the judgment of the Division Bench of the High Court to which I made a reference, a committee was constituted by them to act as the board of management. At the same time the judgment said that there should be a meeting of the general body of shareholders in order to elect a board of directors by 31st

[Shri K. C. Reddy.] January 1963. That was the judgment of the Division Bench of the High Court. All what has happened because of which all these doubts have arisen in the mind of hon. Member is this. The third party who owns 30 per cent, of the shares and the Government and the L.I.C. which between them hold 40 per cent, of the shares . . .

SHRI DAHYABHAI V. PATEL: Is it not a fact that that party is •divided into two and the 30 per cent, is not one. They are divided parties.

SHRI K. C. REDDY: The court has •gone into all these aspects.

SHRI DAHYABHAI V. PATEL: Why •do you mislead the House?

SHRI K. C. REDDY: ] would like the hon. Member not to get excited about this.

SHRI DAHYABHAI V. PATEL: I am not excited.

SHRI K. C. REDDY: I am sorry the hon. Member is excited and when one is excited, it is very difficult to grasp things.

SHRI DAHYABHAI V. PATEL: It is very difficult to swallow incorrect statements.

SHRI K. C. REDDY: If he calms down and hears me, he will come to know more about this affair than he now can claim to know.

What has happened is, the board of - management was not to our satisfaction. We wanted to change it. In fact the Government was not satisfied with the constitution of the board of management according to the judgment of the Division Bench of the High Court. So between the Government and the L.I.C. and this group of persons this private person filed an ^application before the High Court. .Application for what? To call a

general body meeting of the shareholders at an earlier date in order to enable the shareholders to elect their board of directors. The meeting of the general body was to have been convened by January 1963. The court has now directed that it may be convened before the 15th October 1962, that is, 4^ months in advance of the date which was indicated by the Division Bench of the High Court.

SHRI AKBAR ALI KHAN: Three and a half months.

SHRI K. C. REDDY: So far as the board of management is concerned, the Government's position in respect of management continues to be the same as it was before and there has been no change whatsoever in regard to this.

SHRI ARJUN ARORA: The other board appointed by the High Court was managing it profitably. What was the great hurry?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): There is the question of time-limit. Please do not interrupt.

SHRI K. C. REDDY: In fact that board, as I said earlier, did not include any representative of the Government of India. We were dissatisfied with the constitution of that board.

SHRI DAHYABHAI V. PATEL: Is your defeated Minister a representative of the Government?

SHRI K. C. REDDY: May I appeal to the hon. Member to kindly have patience? In fact, his impatience is distracting my clear flow of thought.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : You go ahead. You have only three minutes left.

SHRI K. C. REDDY: That is what has happened. Some information has been asked by one hon. Member. As I said, Government holds many of the shares. I have got the figure-si here.

The Central Government equity shares already purchased and registered in 1960 and 1961 are 11,54,773, which works out to 17.73 per cent. Shares recently purchased from an exchange bank awaiting registration in the company are: 3,06,983 shares, which is about 4.9 per cent. So, Government holds 22.5 per cent. of the shares. The Life Insurance Corporation has 10,81,001 shares, which works out to 16.63 per cent. This private group, to which reference has been made, hold between them 22,20,238 shares, -which works out to 34.1 per cent. Others have 17,37,005 shares. The total is 65 lakhs equity shares of Rs. 5 each. This is the break-up of the shareholding of the company.

The hon. Member also said that the prices of these shares have gone down, because there has been some move in the High Court to have an earlier meeting of the general body of shareholders. Now, it is true that when the application was filed in the High Court praying for a direction that the general body meeting may be held earlier, earlier than January 31, 1963, for about 18 days, for about a fortnight or so, there was a decline in the value of the shares. But subsequently it has shot up. Please note this fact.

SHRI DAHYABHAI V. PATEL: Has it shot up because of the support and purchase by the IC?

SHRI K. C. REDDY: No, because of the judgment of the Court, because of the appointment of Mr. Satish Chandra as Chairman of the board of management by the Court. There again by the Court, mind you. It was because of the move made by the Government that the share values have gone up.

SHRI DAHYABHAI V. PATEL: He said it was Government. Now he says it is the Court. What is it? He is contradicting himself. He said the appointment of Mr. Satish Chandra was by the Government, now he says it is by the Court. 641 RS—8.

SHRI K. C. REDDY: I am afraid if the hon. Member cannot make any distinction between.....

SHRI DAHYABHAI V. PATEL: I am quoting your own words.

SHRI K. C. REDDY: Obviously there is distinction.

THE VICE-CHAIRMAN: (SHRI M. P. BHARGAVA): One minute more. You must wind up please.

SHRI K. C. REDDY: How am I to meet all his points?

THE VICE-CHAIRMAN: (SHRI M. P. BHARGAVA): But the time is limited for the discussion.

SHRI K. C. REDDY: Very good. The share values have definitely gone up. That is my point. Also, I would like to state the points seriatim. I will not go into details. I will state my points seriatim, three or four points. The share value has not crashed, as the hon. Member has said. The share value as on 6-9-1962 is Rs. 10.20 per share.

SHRI DAHYABHAI V. PATEL: I was quoting from the letter of a shareholder. I have no shares and I do not know anything about it.

SHRI AKBAR ALI KHAN: Then, it is wrong information.,

SHRI K. C. REDDY: As I said, regarding the management, no step has been taken by the Government to hand over the management, as it were, to a third party. That is not correct. I have already said so. About proxies also, I have stated the position. Finally, I would like to state this. If the idea of the hon. Member is that we should take full control of these concerns ... »

SHRI DAHYABHAI V. PATEL: No.

SHRI K. C. REDDY: The BIC has under its control industries which are mostly consumer goods industries, e.g., cotton textiles, woollen and



[Shri K. C. Reddy.] leather goods, all consumer goods. And it is a matter for consideration whether this should be taken over completely as a public sector project. Now, under the Industries (Development and Regulation) Act, we cannot take action in respect of undertakings of this kind, the management of which has been more or less satisfactory. And now separate legislation will have to be resorted to if we are to nationalise it. So, the Government have no power to act in their executive capacity, to change the complexion of the present management, which is in accordance with the judgment of the High Court. This is the main point that I want to make.

SHRI DAHYABHAI V. PATEL: I will be satisfied if you give a categorical assurance that you are not handing it over to another party.

SHRI K. C. REDDY: There is no question of handing over anything.

THE VICE-CHAIRMAN: (SHRI M. P. BHARGAVA) The time is over.

SHRI K. C. REDDY: There is no question of handing over at all. I can say the Government of India have not disposed of the shares acquired by them earlier. They have no intention or proposal of selling any shares to a third party.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) That will do.

SHRI K. C. REDDY: Another thing that I would like to tell the hon. Member, if he lends his ears to me, is this. All the allegations that he has made with reference to a third party, to a private party, this, that and the other, boil down to this. A petition was filed in the High Court by a shareholder and the Court was seized of the matter. The Court went into all these aspects and have given their judgment, keeping all these factors in view. So, it is not as if the facts which he has now mentioned about a private party, etc. were not known or

were not considered by the Court before they passed their judgment in the matter. So, there is absolutely no basis for the allegations that have been made by the hon. Member.

Now, I would wind up by saying that it is Government's policy to see that all industrial units are well managed and on a satisfactory basis. If there is any industry that is not managed properly, Government have the power to see that proper management is secured either under the Industries (Development and Regulation) Act or any other Act that may be available. So far as these concerns are concerned, I have already said that Government have no intention of handing over the amount of control that they have got over these undertakings. What I say is the position of the Government in respect of the management of these concerns has not altered a bit. It remains the same as before and there has been no attempt of any kind to hand over its management. In these circumstances I do not think there is any substance in the allegations made by the hon. Member.

I would like to conclude by saying that this is a very intricate matter. In fact, I have not placed before the House one-tenth of the factual and statistical information and other aspects of this case, which I would have liked to do if I had more time. I would tell hon. Members, such of those who are interested and particularly the hon. Member, my friend, Shri Dahyabhai Patel, that if they want any further information, I will be only too glad to place all the available information at their disposal.

THE VICE-CHAIRMAN/(SHRI M. P. BHARGAVA): We shall take up the next item.

SHRI DAHYABHAI V. PATEL: Just one word. I would like to thank the hon. Minister for his assurance. I would only say that if the Finance Minister's answer was clearer, this suspicion would not have arisen.

SHRI AKBAR ALI KHAN: He has accepted that his information was wrong.

*(Interruptions)*

THE OIL AND NATURAL GAS  
COMMISSION (AMENDMENT) BILL,  
1962

THE DEPUTY MINISTER IN THE  
MINISTRY OF MINES AND FUEL (SHRI R.  
M. HAJARXAVIS) Sir, I beg to move:

"That the Bill to amend the Oil and  
Natural Gas Commission Act, 1959, as  
passed by the Lok Sabha, be taken into  
consideration."

This is a very simple measure which aims at  
extending the area and the authority of the  
Oil and Natural Gas Commission. By clause  
2, which is the first amendment, the House  
will be glad to know that we are extending the  
operations of the Oil and Natural Gas  
Commission to the State of Jammu and  
Kashmir. By clause 3, which is the second  
amendment, the Oil and Natural Gas  
Commission will have the power to promote  
and form companies in accordance with the  
law, which will enable them to form subsi-  
diaries, if they are so advised, with the State  
Governments and other undertakings. As hon.  
Members are aware, there is a demand from  
the various States that they should be associated  
with the commercial activities which are  
carried on by the Government of India  
undertakings

in their States. Now, that is a demand  
which finds a sympathetic response in our heart  
and in a given case if we find that the  
participation is likely to be fruitful both to the  
Government of India and the State Government,  
we would certainly enter into collaboration  
with them. To enable us to do so, we are  
adding a new clause to the powers of the Oil and  
Natural Gas Commission.

By clause 4, the limit of salary of the  
employees of the Oil and Natural

Gas Commission, which at present is Rs. 2000  
per month, is intended to be enhanced to Rs.  
2250. As is well known, it is very difficult to  
get qualified men for our technical under-  
takings, and it is necessary that we should  
have the power so that if we find a competent  
man, we can immediately offer him the terms  
and secure his services.

Then, Sir, the very justification of an  
autonomous corporation is that it should have  
a large measure of autonomy. It has been  
found, for instance, that the financial  
autonomy that the Commission so far enjoyed  
was up to the level of Rs. 30 lakhs. It is in-  
sufficient. It should be increased to Rs. 50  
lakhs. That power is now being enhanced up  
to the limit of Rs. 50 lakhs without reference  
to the Government.

Regarding clause 5, the power to  
reappropriate is now 20 per cent, of the sum  
which has been already granted, and the other  
limit of Rs. 7½ lakhs is excluded by this  
clause.

With these words, I commend my motion.

*The question was proposed.*

श्री ए० बी० वाजपेयी (उत्तर प्रदेश):  
उत्समभाष्यक्ष महोदय, जिस आयोग के संबंध  
में यह विधेयक प्रस्तुत किया गया है उसके  
अधिकारों को विस्तृत करने के संबंध में  
कोई विशेष मतभेद नहीं है। लेकिन आयोग  
की स्वायत्तता का लाभ उठाकर इन अधि-  
कारों का, यदि मैं कहूँ, कुछ मात्रा में दुरुप-  
योग करने की प्रवृत्ति हो रही है तो अनुचित  
नहीं होगा। इस संबंध में मैं एक ही बात  
की ओर सदन का ध्यान दिलाना चाहता हूँ  
कि आइल एंड नैचुरल गैस कमिशन ने ३॥  
लाख रुपये किराये के रूप में एडवॉन्स देकर  
नई दिल्ली में एक इमारत किराये में ली है।

SHRI R. M. HAJARNAVIS: That is not the  
Oil and Natural Gas Commission.