

tendered and was the lowest tender always accepted?

Shri C. Subramaniam: There are rules regulating the purchases, where tenders have got to be called for, where tenders are not required, etc. I cannot give immediately all the information asked for.

Shri Tyagi: I am afraid ignorance of facts at the level of the Minister cannot be an excuse. It is an important question.

Mr. Speaker: The question was whether he had invited tenders.....

Shri C. Subramaniam: I do plead ignorance of the facts because the facts are yet to be collected.

Shri Tyagi: What else is it? When a question is put about contracts, the most relevant question is whether there were tenders invited or not. Otherwise no supplementary can be asked. This is the attitude of the hon. Minister.

Shri C. Subramaniam: Evidently the hon. Member did not listen to the main answer. The main answer was that the information is being collected and will be placed on the Table of the House.

Shri Ranga: The point is whether tenders are being called for or not.

Mr. Speaker: Probably, the Minister himself could have expected such a question and he could have obtained the information. This should be naturally the first supplementary that could be expected from the Members—whether contracts have been invited or tenders invited. Shri Ranga.

Shri Ranga: I am glad that these things are being settled at the plant level, but may we have the assurance that even at that level the same one or two very big contractors are not being given these contracts in order to supply the raw materials to these plants?

Shri C. Subramaniam: It depends upon the tenders. When tenders are called for and if it is the lowest tender, and if there is no other objection, certainly we cannot reject it on the basis that the same person is getting the contract. I do agree, but I do not have all the facts before me because I think I should collect all the facts and then answer the questions.

Shri Morarka: May I know whether the Government is at all consulted by the steel plants before entering into long-term contracts?

Shri C. Subramaniam: No, Sir; I do not think the Government should take over that responsibility.

Shri Ranga: When they collect the information, I would ask the Government to give us the names of the tenderers and the contractors.

Mr. Speaker: That information also might be given.

Shri C. Subramaniam: Yes, Sir; I will collect the information and give it.

Machinery Manufacturing Plant in Bihar

+

*787. { **Shri Vasudevan Nair:**
Shri Warrior;
Shri Dinen Bhattacharya:
Shri Bibhuti Mishra:

Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether a licence has been given to M/s Sahu Jains to set up a machinery manufacturing plant in Bihar;

(b) if so, when the licence was given; and

(c) the estimated cost of the plant?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) to (c). Yes, Sir. A licence under the Industries

(Development and Regulation) Act, 1951, was issued to M/s Sahu Jain Ltd., Calcutta on the 20th April, 1961, for the establishment of a new undertaking at Hazaribagh (Bihar) for the manufacture of Cement making machinery, Pulp and Paper making machinery and Chemical and Fertilizer machinery. Action is being taken for revocation of the licence under the Industries Act.

Shri Vasudevan Nair: May I know when this licence was granted to this firm and whether it was actually granted after the receipt of the Vivian Bose Commission's report about the immoral business practices of this firm?

Shri C. Subramaniam: The date is given here. The licence under the Industries Act was issued on 20th April, 1961.

Shri Vasudevan Nair: May I know whether the department is considering any other application for a licence?

Shri C. Subramaniam: There have been other licences for cement factory and we are taking action to cancel this licence.

Shri Daji: May I know the reasons for the cancellation, and will it be true to presume that the cancellation is because of the report of the Vivian Bose Commission?

Shri C. Subramaniam: We have not yet cancelled it; we are taking action to cancel it. That also will be one of the considerations.

Shri Ramachandra Ulaka: May I know by what time this plant will go into production and what will be the production capacity of this plant?

Shri P. C. Sethi: There is no question of production by this plant; the licence is being cancelled.

Shri Shashi Ranjan: At the time of granting this licence, were there other applicants also or this was the only application and it was considered?

Shri C. Subramaniam: I would like to have notice of that question.

Shri D. C. Sharma: May I know what are the special qualifications of this firm which have entitled them to get licences for the manufacture of so many different types of machinery?

Shri C. Subramaniam: I am sure the competence of this firm would have been taken into consideration when the licence was granted. They are in the line of production of cement and paper and perhaps that was why it was thought they might be competent to manufacture this machinery also.

Shri K. N. Tiwary: May I know whether the Government is aware that there is scarcity of cement and so long as Sahu Jain is not found guilty by any competent court, how is it that the Government has cancelled the licence?

Mr. Speaker: He is arguing the matter. Mrs. Chakravartty.

Shrimati Renu Chakravartty: May I know whether it has been brought to the notice of Government that there is a big spy ring case and also foreign exchange scandal which has just been unearthed in Calcutta and one of the accused is one of Sahu Jain's people, and may I know whether this has anything to do with further malpractices that have been found with Sahu Jain?

Shri C. Subramaniam: In granting and cancelling a licence, we have to be guided by the terms of the Industries (Development and Regulation) Act. It is under that that we have given notice and we intend cancelling that licence. Other things may not come into the picture just now.

Shrimati Savitri Nigam: When this licence is going to be cancelled, may I know whether Government have decided to grant licence to somebody else, so that the production may not be hampered?

Shri C. Subramaniam: Yes, Sir; we are taking action to see that production takes place in other factories.

Shri Bhagwat Jha Azad: Since April '61, when the licence was given, may I know whether this firm has taken action in this regard to fulfil any part of this construction which was likely to be taken up at Hazaribagh?

Shri C. Subramaniam: Yes, Sir; some action has been taken, but sufficient action has not been taken. That is why we are trying to cancel it.

Business Houses raided in Calcutta

+

*789. { **Shri Indrajit Gupta:**
Shri Bhagwat Jha Azad:
Shri Balkrishna Wasnik:
Shri Ram Rattan Gupta:

Will the Minister of **International Trade** be pleased to state:

(a) whether the Enforcement Police have recently raided some big business houses in Calcutta on suspicion of violations of the Forward Contracts (Regulation) Act;

(b) if so, the particulars of the firms involved;

(c) the nature of the allegations against them; and

(d) the action Government propose to take in the matter?

The Minister of International Trade (Shri Manubhai Shah): (a) Yes, Sir.

(b) Messrs. Madanlal Jhunjunwala, Shri Bishvanath Jhunjunwala and Messrs. Lohia Sultania.

(c) These firms were alleged to have entered into forward contracts in contravention of the provisions of the Forward Contracts (Regulation) Act, 1952.

(d) The matter is under investigation by the Calcutta Police.

Shri Indrajit Gupta: May I know, in these cases, what are the commodi-

ties involved in which these forward contracts were illegally entered into?

Shri Manubhai Shah: In the first two cases they have entered into what is called "dubba" contract—that is a contract outside the ring of recognised associations. It is a highly illegal practice for some firms to form a ring of their own. In the third case they entered into a "kerb" contract. In that case, on the pavement of the ring they manipulate the prices which affect very speculatively the prices inside the ring.

Shri Indrajit Gupta: I wanted to know what are the commodities.

Shri Manubhai Shah: Groundnut in one case and vegetable oil and cotton in another.

Shri Tyagi: Which was the commodity Shri Lohia was dealing with?

डा० राम मनोहर लोहिया : अरे त्यागी जी महाराज, वह सुल्तानिया है सल्तानिया ।

Shri Indrajit Gupta: Have Government any information to the effect that forward contracts in jute and jute products are entered into with foreign customers and this practice is going on on a widespread scale now in Calcutta through "dubba" and pavement dealers; if so, may I know whether any steps are being taken to investigate and find out the truth?

Shri Manubhai Shah: So far, no jute "dubba" contracts have come to our notice. Messrs. Lohia Sultania were dealing in cotton and oilseeds. We will always keep in mind all these matters.

डा० राम मनोहर लोहिया: दो तरह के लोहिया हैं । गरीब लाहिया इधर बैठे हुए हैं और सुल्तानिया लोहिया उधर बैठे हुए हैं ।

Shri Bhagwat Jha Azad: Since the raid has been made, may I know whether any precautions have been taken to take into custody the relevant papers and, if so, at what stage the investigation of the case at present is?