

Our money does not produce the proper results. It has been so all these years.

I would like to continue tomorrow.

Mr. Speaker: All right. You may continue tomorrow.

17.29 hrs.

'CONSTRUCTION OF ANNEXE TO  
ASHOKA HOTEL

Mr. Speaker: We now take up the Half-an-Hour Discussion, Shri Kanwar Lal Gupta.

I have got 13 or 15 names and I do not know how to accommodate all of them.

Shri Kanwar Lal Gupta (Delhi Sadar): This is a very important discussion. It should be extended by 15 minutes or so.

Mr. Speaker: No. It is a Half-an-Hour Discussion. You can take 10 minutes and others will only put questions.

Shri Jyotirmoy Basu: (Diamond Harbour): You may give us a chance to speak.

Shri Samar Guha (Contai): This notice was first in my name. But then they said that there had been a certain mistake and it was balloted. This is how it has come now.

Mr. Speaker: I do not know. The normal practice is that the first Member takes 10 minutes, the others put questions and then the Minister replies. There are about 13 or 15 names. I do not know how anybody can make speeches. Shri Kanwar Lal Gupta.

Shri Jyotirmoy Basu: There will not be more than 6 or 7 Members present. You may kindly give us a little time.

Mr. Speaker: I shall call the hon. Minister at about 5.50 p.m. I think he would need about five to ten minutes for his reply. Meanwhile, the other hon. Members can only put questions.

Shri Samar Guha: This Half-An-Hour Discussion Notice was first issued in my name. Perhaps there may have been a mistake on the part of a newcomer like me. But I was given an assurance that I would also be given about seven to eight minutes' time.

The Minister of Works, Housing and Supply (Shri Jagannath Rao): After I reply to the discussion, hon. Members can put questions if they want.

Mr. Speaker: That has not been the practice so far.

Shri Sheo Narain (Basti): The House must adjourn at 6 p.m.

Mr. Speaker: I know that; otherwise, the hon. Member will raise the question of quorum.

Shri Samar Guha: The notice was first issued in my name some twenty days back so that I was to be first person to initiate the half-an-hour discussion. Then, suddenly the Secretary told me that there had been a certain mistake and I was asked whether I would agree to a ballot because it appears Shri Kanwar Lal Gupta had also submitted a similar notice almost at the same time. I was told this only ten or fifteen days afterwards. Then, I was told that both of us would be speaking since only two names were there. Anyhow, I hope that you will give me also some time, because that would simplify the whole thing in view of this background.

Mr. Speaker: That may be so. Anyhow, his name is there in the list. I cannot change it now sitting in the Chair and it will not be proper for me also to change it now.

**Shri Jyotirmoy Basu:** The problem can be solved if you give us some little time.

**Mr. Speaker:** Questions can be put and no speeches, should be made

**Shri Jyotirmoy Basu:** You can give us about five minutes.

**Shri Sufendranath Dwivedy (Kendrapara):** As a compromise I would suggest that you may give Shri Kanwar Lal Gupta ten minutes and Shri Samar Guha five minutes, other Members may put questions and then the hon Minister may reply

**Mr. Speaker:** Yes, let the others put questions I would allow them to put questions

**Shri Kanwar Lal Gupta:** Do not be so strict in regard to the time. If necessary, you may extend it by 15 to 20 minutes

**Mr. Speaker:** There is no question of being strict, but there must be some limit about it. Now, let him go ahead with it

**Shri Nath Pal (Rajapur):** Now let him begin

श्री कबर लाल गुप्त : अध्यक्ष महोदय, झरोका होटल में कुछ कमरे, कुछ टावर और कान्स्ट्रक्शन बनाने के लिए 2 करोड़ 29 लाख का टेंडर निकाला गया। मुझे इस से कोई मतलब नहीं अध्यक्ष महोदय, कि टेंडर किस को मिलता है, ए को मिले या बी को मिले, उस से मतलब नहीं, पर मैं यह जरूर चाहता हूँ और सदन भी मुझ से इस बात में इत्फाक करेगा कि उसका प्रोसीजर ठीक होना चाहिए। वह कानून के हिसाब से ठीक जिस को मिलना चाहिए उस को मिले और उस के धर्तारिकत जिस को न भी मिले उस को यह विश्वास हो कि ठीक सिस्टम से ठीक प्रोसीजर के हिसाब से वह टेंडर दिया गया है।

अध्यक्ष महोदय, पहली बेरी धार्पित जिस को मैं चाहता हूँ कि मिनिस्टर साहब

जवाब दें, यह है कि प्राप ने 24 फर्मी को छुट कर के कि यह धाउस्टैटिंग मेरिट के हैं, यह निश्चय किबल्कि इन को टेंडर का नोटिस देंगे। प्राप ने पक्षबारी मे टेंडर क्यों नहीं भेजा कि जो उस का कानून है ? हो सकता है कि दो बार जो बडी फर्म हैं जिन को प्राप के भ्रफसर न चाहते हो उन को टेंडर नोटिस न भेजा गया हो। भ्रण्ठा यह होता और सिस्टम भी यही है कि समाचार पत्रो मे प्राप पब्लिश करते हैं और उस मे जो लोग भी टेंडर देना चाहे वह टेंडर दे सकते हैं और जो सब से बडी इर्रेगुलैरिटी हुई है वह यह हुई है, ऐसा सुना है कि मिनिस्ट्री ने ऐडवाइज किया कि प्रापेन टेंडर न करे, सेलेक्टिव टेंडर करे। मैं समझता हूँ कि मिनिस्ट्री मे भी जिस किसी ने यह कहा है वह बडी जबरदस्ती गलती है और इर्रेगुलैरिटी है। दूसरी चीज कि जो टेंडर प्राप के पास प्राये हैं उन मे से लोएस्ट टेंडर को प्राप ने कान्ट्रैक्ट नहीं दिया। सेनेट्र लोएस्ट को प्राप ने कान्ट्रैक्ट दिया। उन्हो ने कुछ कडीसज लगायी और उन का इनकम्पलीट टेंडर था यह मैं मानता हूँ कि जहा तक इनकम्प्लीशन का सवाल है कुछ और लोगो मे भी इनकम्पलीट टेंडर दिये लेकिन उन की इनकम्प्लीटनेस केवल उतनी हद तक थी कि जितनी हद तक प्राप ने डिटेन्स नहीं देखे थे। लेकिन यह जो दूसरे से सैकेंड लोएस्ट टेंडर उन्हो ने 36 धाउट्रम्स के बारे मे कोट नहीं किया और इन्होने कुछ शर्तें लगायीं अपने फारवर्डिंग सैटर मे जो कि मिनिस्टर साहब कहते हैं कि बाद मे हम ने वह शर्तें नहीं मानी। लेकिन जो धार्परिजनल टेंडर है उस के हिसाब से, अगर प्राप कहें तो मैं पक्क सकता हूँ, समय थोडा है इसलिए नहीं पढ़ना चाहता, उस मे दो बातें हैं कि अगर कोई शर्त लगाएगा तो वह टेंडर रिबैन्ड हो जायगा और दूसरी चीज यह कि अगर इनकम्प्लीट होगा तो उस को कसीडर नहीं किया जायगा। मेरे ख्याल से तीर्थ रजम आहुजा एंड कंपनी को जिस को प्राप ने यह टेंडर दिया है, वह गलत

दिया है। बाकी पांच लोगों को भी कंसीडर करना चाहिए था और लोएस्ट टेंडर को देना चाहिए था : लोएस्ट टेंडर को क्यों नहीं दिया गया उस के बारे में जो कहा कि लोएस्ट टेंडर में श्री सेकंड लोएस्ट में 1 लाख 20 हजार का डिफरेंस था, उस को बदलना टेंडर की सैमिटी को बल करना है। मैं समझता हूँ कि यह ठीक नहीं है। जब आप ने एक प्रोसीजर दिया है तो उस के हिसाब से काम करना चाहिए। उस के जो रीजन्स मिनिस्टर साहब ने दिए थे कि क्यों नहीं दिए लोएस्ट को वह एक तो यह कहा कि हम ने प्राइम मिनिस्टर से श्री डिप्टी प्राइम मिनिस्टर से कन्सल्ट किया ...

**Shri Jaganath Rao:** Not Prime Minister.

**Shri Kanwar Lal Gupta:** I can quote him

**Shri Jaganath Rao:** I have corrected it. I said Deputy Prime Minister.

श्री कृष्ण लाल गुप्त : तो आप ने कहा कि एक तो डिप्टी प्राइम मिनिस्टर से आप ने सलाह ले लिया था . (श्री धन) .. डिप्टी प्राइम मिनिस्टर और फाइनेंस मिनिस्टर एक ही हैं, सरदार साहब को मालूम होना चाहिए।

दूसरा यह कहा कि लोएस्ट टेंडर जिस का था उस को पास्ट परफार्मेंस ठीक नहीं थी। मैं यह पूछता हूँ कि अगर उस की पास्ट परफार्मेंस ठीक नहीं थी तो आप ने उस को टेंडर इश्यू क्यों किया ?

**Shri Jaganath Rao:** That also I explained.

श्री कंवर लाल गुप्त : तीसरी चीज, आप ने यह टेंडर रिजेक्ट किया उस के बाद मेरी इन्फार्मेशन यह है कि कई करोड़ रुपये के टेंडर उस को दे रखे हैं। पहले भी दिए और बाद में भी दिए। तो जब आप उस को दूसरे टेंडर दे सकते हैं, तो उस को टेंडर नोटिस इश्यू कर सकते हैं तो केवल इतीहास कि यह टेंडर उस को बचाने इतीहास उस का पास्ट परफार्मेंस ठीक नहीं था ? यह मैं समझता हूँ

कि मिनिस्टर साहब मुझ से इतिहास करने के कि यह प्रॉब्लिम ठीक नहीं है।

दूसरी चीज आप ने फाइनेंस मिनिस्टर से पूछा उन का मताविरा लिया, उस से कोई फर्क नहीं पड़ता। जो कानून है, प्रोसीजर है, उस में प्राइम मिनिस्टर हों या आप हों या कोई हो, उस के कहने से कोई फर्क नहीं पड़ता। प्रोसीजर के हिसाब से करना चाहिए था। दूसरी चीज लोएस्ट टेंडर का पास्ट परफार्मेंस ठीक नहीं था उस को हटा दें, उसका क्या किया ? आप ने कंसल्टेशन कर के उन से कहा कि 2 लाख 40 हजार रुपये कम कर दीजिए, बाकी चार को क्यों नहीं कहा ? बाकी लोगों को क्यों नहीं कहा ? जिस हा पास्ट परफार्मेंस ठीक नहीं था, मान लिया मैंने उस को निगम देते लेकिन बाकी लोगों को तो मौका देना चाहिए था। इन से 2 लाख 40 हजार कम कराया, हो सकता है 3 करोड़ कम करने वाला कोई मिल जाता। तो इस का भी जवाब धाना चाहिए। धाना यह चाहिए था कि धा तो आप नया टेंडर इश्यू करते या फेज टेंडर अगर जल्दी की वजह से नहीं कर सकते थे तो सब को बुला कर के उन को कहते कि यह पोजीशन है, आप बताइए कि कितना रिडक्शन करने के लिए तैयार हैं ? यह कुछ नहीं किया। यह एक बोकी, सेबी, बेबी वील या जो कुछ भी कह लीजिए ऐसा है कि जिस के बारे में सुबधा लोगो को है और मैं तो अध्यक्ष महोदय यह कहना चाहता हूँ कि यह एक कान्फरेंसी है जिन में इन मिनिस्टर के अफसर, प्रॉक्यूरर, अशोक होटल के चेरमैन और कान्ट्रैक्टर शामिल हैं। मिनिस्टर को इसलिए शामिल नहीं करता कि उन्होंने गवाही प्राइम मिनिस्टर की और डिप्टी प्राइम मिनिस्टर की बनाई और उन से सलाह ले लिया लेकिन वह जो अफसर है उन्होंने इस तरह से उन को बहकावे में रखा और इस तरह से उन के सामने चीज रखी गई कि हा उस के अर्थ में कुछ फंड गए। यह कान्फरेंसी में किंग सिंग कह रहा हूँ कि जो लोगों के सामने

[श्री कंवर लाल गुप्त]

बीज धाई है वह यह है कि यह जो चैबरमैन हैं भ्रमोक होटल के इन का एक मकान साजपस-नगर में बना, इन्ही कान्ट्रक्टर की देख रेख में वह बना। घोपाल हैवी एलेक्ट्रिकल के प्रन्डर जब यह पदाधिकारी थे तो वहां उन्होंने ठेका लिया...

**Shri Jaganath Rao:** He is making an allegation against a person. Under rule 353, if any member wants to make allegation against a person who is not present, he must give previous notice.

**Shri Kanwar Lal Gupta:** I am not naming any officer.

**Mr. Speaker:** The convention is not to make any allegation against a person on the floor of the House when he is not present here to defend himself.

श्री कंवर लाल गुप्त : श्रीर तीसरी चीज यह—मैं एक सवाल मिनिस्टर साहब से यह पूछना चाहता हूँ कि यह साइट क्लीयरेंस और साइट लेबल का काम तीन लाख रुपये का प्राप ने दिया वह इसी कान्ट्रक्टर को दिया इसी भ्रमोक होटल के बारे में, वह क्यों दिया ? इसका कोई टेंडर इन्वाइट किया या प्रापने ? कोई टेण्डर इस का इन्वाइट नहीं किया गया—न सीलेक्टेड टेण्डर हुआ और न प्रोपन टेण्डर हुआ, अपनी मर्जी से एलाट कर दिया गया। पहले से ही यह चल रहा था कि यह टेण्डर इन्वी को देना है। मैं यह समझता हूँ कि यह एक फिट केस है, जिसको सी० बी० धाई के पास निजबा देना चाहिये। सी० बी० धाई के पास निजबाना कोई पब्लिकसेन्ट नहीं है। अगर प्रापको विश्वास है कि श्रीर प्रापके कार्डें प्रोपन हैं, प्रोसीजर के हिसाब से ठीक हैं तो इस में प्रापको कोई तकलीफ नहीं होगी लेकिन देखा करने से जो मुझ्हा लोगों के मन में है वह दूर हो जायगा और प्राप्तवा जो अफसर इस तरह से वांछनी बाची करते

हैं, फेबरेटिव्ज करते हैं, करप्शन करते हैं, मिनिस्टरों को भी जाल में फंसाते हैं, वह रिपीट नहीं होगा। हम इस में इन्टेस्टेड नहीं हैं कि यह ए को मिले या बी को मिले या सी को मिले, लेकिन हम यह चाहते हैं कि ठीक प्रोसीजर से दिया जाय। मैं यह नहीं चाहता कि किसी आफिसर को डिमोरलाइज किया जाय, बेकसूर को सजा नहीं देनी चाहिये, लेकिन जो कुसूरवार है उसको सजा नहीं दी गई तो वह ठीक नहीं होगा।

इस लिए मैं यह प्रपोज करना चाहता हूँ कि प्राप इन को अपनी पर्सनल प्रेजिज का सवाल न बनाये। अगर प्राप कुसूरवार को प्रोटेक्शन देगे तो देश की यह डेमोक्रेसी नहीं बनेगी, देश आगे नहीं बढ़ सकेगा। अगर इस में खुद को इन्वाल्व कर लेंगे तो उस का नतीजा भी ठीक नहीं होगा। यह केस सी० बी० धाई को जाना चाहिये ताकि सारे फ्रैक्टस सदन के सामने आजायें, ताकि सी० बी० धाई को रिपोर्ट सदन के सामने धा जाये।

**Shri Samar Guha:** At a time when the country is passing through an acute economic crisis, this project of revolving tower seems to me to be an example of towering immorality on the part of the Congress Government. When our country is going all over the world for rice with the begging bowl and has become almost a global beggar, it is extraordinary that international dignitaries will be shown the panoramic view of Delhi and the splendours of our country from the skyscraper like this revolving tower. I think it is a shameful act on our part.

I will now come to the contract part. I have carefully gone through all the papers. It seems the whole deal is a backdoor black business. I repeat the whole deal is a backdoor black business. The tender was invited from selected contractors. The

tender was incomplete when it was given to Ahuja & Co. Again, I should say there is reason to believe that there had been some underhand interests between this Tirath Ram Ahuja and the Chairman of the Asoka Hotel. The Chairman of the Asoka Hotel, when he was Chairman of Heavy Electricals, . . .

Mr. Speaker: Do not bring in names.

Shri Samar Guha: Because there is a past connection. He was Chairman of Heavy Electricals, at that time also he gave tenders to this very company at a higher rate of Rs. 4 to Rs. 5 lakhs.

Mr. Speaker: That you can say.

Shri Samar Guha: This gentleman had a bungalow constructed recently in Lajpat Nagar, and this company supervised or constructed the bungalow for him at a very cheap rate. Again, this company was offered the contract for excavation in Asoka Hotel.

Therefore, we have reason to believe that there has been an underhand and shady deal with the contractor (*Interruptions*). Through you I make a request to the present Minister that this illegitimate and corrupt product of the last ministry should be considered as a fit case for investigation by a parliamentary committee.

Some hon. Members rose—

Mr. Speaker: It is not a question of any party here; if so only two or three people will be allowed. The names are here. If hon. friends will confine themselves to questions, we should be able to finish.

Shri M. L. Sondhi (New Delhi): Mr. Speaker, this is a hare brained scheme and Parliament, I believe, has a right to refuse to pay funds for schemes which are not well considered. In fact it is no exaggeration to say that the whole project is against

public policy as it is understood by us in the Opposition at least. It is called a rush-job for the purpose of welcoming the guests from abroad. I spent sometime in Czechoslovakia at the time of Sparta Kiad where a number of guests were housed by the citizens.....

Shri C. C. Desai (Sabarkantha): These are things of a personal nature; the person's name should not be brought in her... (*Interruptions*).

Shri M. L. Sondhi: There is some misunderstanding. It is the name of a festival there, not of a person. Will the Minister kindly explain why in this major construction project at public expenses all rules had been thrown to the winds merely because it was defined as a rush job? Why was it not possible for the Minister to solicit public co-operation to house these people who are coming here as paying guests? My reference to Czechoslovakia was only intended to suggest that they had followed the same practice at the time of that festival.

Shri V. Krishnamoorthi (Cuddalore). The answer given by the hon. Minister is that the lowest tenderer had a shady past and so the second lowest tenderer had agreed to execute the work at the lowest tendered rates and so he got the sanction of the Deputy Prime Minister. The whole thing is a coloured transaction. The facts placed by the Minister reveal that he has an invisible thread or connection between himself and the contractor, the second lowest tenderer. Normally when the works are executed, they are published in various papers but for a work here involving more than 2 crores, there is no procedure followed. This must be sent to the CBI who must enquire into all the files thoroughly..

Mr. Speaker: Mr. Kothari. You want the case to go to the CBI?

Shri V. Krishnamoorthi: Why are you trying to protect the Ministers?

**Mr. Speaker:** So many of you have said the same thing. You give a big background instead of putting a question.

**Shri S. S. Kothari (Mandsaur):** Caesar's wife should be above suspicion and that applies to the government. The procedure laid down with regard to the acceptance of tenders should be rigidly followed in all cases so that justice may be done and justice may also appear to the public and Members of Parliament to have been done. In view of the shady atmosphere surrounding this deal, would the Minister consider the appointment of an ad hoc committee to enquire into this matter? What steps does he propose to take to ensure that in future the procedure laid down is rigidly followed in his department, because we receive so many complaints about this department in particular?

श्री यशवन्त शर्मा (धमतसर)  
प्रधान महोदय, यह ठेकेदार प्रॉक्टिक्ट और चैयरमैन के बीच घोटाले के सबूत म क्या मंत्री महोदय बतलायेंगे कि प्रॉक्टिक्ट महोदय ने क्या यह सिफारिश की थी कि ठेका इसी ठेकेदार को दिया जाय और अगर इस प्रकार की कोई सिफारिश थी तो क्या इस सारे मामले से एक घोटाले की गंध नहीं आती है और अगर आती है तो क्या मंत्री महोदय इस सारे मामले की कोई सही व्यवस्थित जांच करेंगे ?

**Shri Jyotirmoy Basu:** This is quite a delicate matter. I hope you will not make a rush job of me, Sir. We find on the one hand corrupt officials and on the other hand, the owner of a private sector luxury hotel has a hand in this matter. This business was dished out by two officers—the Secretary of the department and the Director. Let us go to the background of the Secretary. I am not mentioning any name.

**Mr. Speaker:** Even then, we are not discussing the Secretary's background.

**Shri Jyotirmoy Basu:** This man was so corrupt that he could not resist the temptation of stealing the silverware of our embassy while he was the Ambassador there. I have got the PAC report, Sir. It says, "A silver fruit set of 12 pieces purchased by the Indian Embassy in April 1961 for the Ambassador's use was replaced by another inferior set"

**Mr. Speaker:** Please put a question

**Shri Jyotirmoy Basu:** The people who have dished out the business were thoroughly corrupt

**Mr. Speaker:** You want CBI or parliamentary committee?

**Shri Jyotirmoy Basu:** The total business is valued at about Rs. 1 crore. On enquiry, we have found that the contractor is making a profit of Rs 20 lakhs, out of which Rs 5 lakhs have been given as baksheesh to those persons from whom he is getting the business. Sir, it will be a drop in the ocean because the CPWD is a monument of corruption

**An hon. Member:** You are all angels!

**Shri Jyotirmoy Basu:** In this case, let there be a judicial probe

श्री श्री० प्र० त्यागी (मुरादाबाद)  
श्रीज केवल यही का केस नहीं है बल्कि हमारे भारतवर्ष में जितने भी गवर्नमेंट के बड़े बड़े प्रोजेक्ट्स चलते हैं वहां क्लर्क से लगा ऊपर तक रिस्कते बढ़ी हुई हैं परसेंटेज के हिसाब से। जहां तक करप्शन का सवाल है यह केवल यही नहीं बल्कि हमारे भारतवर्ष में व्याप्त है बाकी ये कहना है कि जब जहां सेंट्रल गवर्नमेंट की ताकत के नीचे प्रजापति होटल में करप्शन का एक बहुत बड़ा केस थाप के सामने आ चुका है

तो वे क्या प्राणा कंक गवर्नमेंट से कि वह इस की वकालत इन्फार्मरी सी० बी० आई० के जरिए कराने का साहम करेगी ?

**Shri C. C. Desai:** Now that the work is progressing and it is likely to bring in valuable foreign exchange, will the Minister take steps to see that if the work is not properly executed, there is a penalty clause which will cover the cost of rectification of the mistake? If this revolving tower turns out to be static God help this ministry!

**Shri Nath Pai:** Under the directions issued by this ministry regarding such contracts, is it not the rule that the Contractor should fill in the rates tendered in figures as well as in words? The amount for each item should be worked out and the requisite total given. Tenders which do not fulfil these requirements are liable to be summarily rejected. The acceptance of the tender will rest with the Managing Director. Tenders in which any of the prescribed conditions are not fulfilled or are incomplete in any respect are liable to be rejected.

In their letter to this concern, the Managing Director wrote to this effect.

"Para 13 of your above mentioned letter relates to the sky rostrum and you have not quoted detailed rates for the construction thereof above the third floor. As these are, however, similar items in the tender the rates for these items quoted by you will be the basis for working out the rates for the various items."

May I know, when the rules categorically state that if the items are not filled the tender will be rejected, why the Government went out of its way in this particular case to do the work which the contractor is supposed to do? Why did it take it upon itself to do this work? May I know why this special tender kindness was shown to this firm?

श्री रमेश राव (पुरी) : अध्यक्ष महोदय, पहले तो मेरा यह कहना है कि हिन्दुस्तान देश की तरह के घूबे व गरीब मुक्त में इस तरह का कोई खर्चीला प्रोजेक्ट जैसा कि प्रशोक होटल में किया जा रहा है वह करना नहीं चाहिए।

मेरा सवाल यह है कि क्या जब यह पालियामेंट में बहस हो रही है और मदेह भी प्रोजेक्ट के सिलसिले में पैदा हुआ है तो क्या मंत्री महोदय इस को पालियामेंटरी कमेटी को भेजने ?

इस के साथ-साथ मैं मंत्री महोदय को यह भी सूचना देना चाहता हूँ कि बिहार की गैर काफ़ेमी सरकार के जो वर्कस के मिनिस्टर है उन्होंने यह सारे के सारे कन्स्ट्रक्शन सिस्टम को बन्द करने की पहल की है ज्योकि इस कन्स्ट्रक्शन सिस्टम के चलते सारे देश में भ्रष्टाचार पैदा हो रहा है तो मंत्री महोदय क्या उस को बन्द करने के लिए यह कार्यवाही करेंगे ?

**Shri Surendranath Dwivedy:** Mr. Speaker, Sir I would like to know from the hon. Minister whether there is any precedent to show that although the contractor did not fulfil all the conditions and tendered an incomplete tender his tender was accepted ignoring all other tenders; and secondly, may I know whether the Minister or the Government has enquired what are the antecedents of this particular firm to which the contract was given, what was the connection between the contractors and the present Chairman of the Ashoka Hotels and whether the Secretary of the Ministry had anything to do with him?

**The Minister of Works, Housing and Supply (Shri Jagannath Rao):** Sir, the first question raised in this half-hour debate is about the propriety of issuing a limited tender notice. May I refer, at the outset, to the background of this whole

[Shri Jaganath Rao]

matter? On the 29th December, 1966, the Tourist Department wrote to the Ashoka Hotels Management that the tourist traffic is increasing and by 1970-71 it is expected to be doubled and the accommodation (Interruptions) Let me be allowed to proceed. If hon Members are not satisfied with my reply they may put a question and I will answer. The Ministry of Commerce wrote to the Hotel Managements that the UNCTAD Conference was going to be held from February to March in 1968 and about 2500 delegates are expected to be in Delhi. The hotel accommodation available in Delhi—posh hotels—is 435 beds in Ashoka Hotels, 202 in Claridge's, 150 in Imperial and 604 in Oberoi International. Therefore, there was a need for expanding the capacity of hotel accommodation (Interruptions).

**Shri Jyotirmoy Basu:** Where is the need?

**Shri Jaganath Rao:** There is the need and that is why we are expanding. You may not agree, that is a different point (Interruptions).

**Mr. Speaker:** Order, order. If hon Members do not want to hear the hon Minister, I will adjourn the House. If this happens again I can only helplessly adjourn the House.

18 hrs.

**Shri Jaganath Rao:** Therefore the Asoka Hotel management came to the Government for permission to extend the hotel. The Government of India gave permission in January 1967. The expansion project has to be completed by the end of this year. Therefore, on the 25th of March, a limited tender notice was issued on the advice of the Ministry of Works, Housing and Supply. Of the 24 notices issued to the important contractors in this field of building construction in Bombay, Calcutta, Madras and Delhi, none of them took any interest; only five of them responded. Firms like Gamons, Martin & Burns

and other important firms did not evince any interest.

**Shri Surendranath Dwivedy:** It was not advertised.

**Shri Jaganath Rao:** It is my case that it was not advertised. We issued limited tenders to the noted building contractors in the country 24 only and out of them only 6 purchased the forms. Five of them submitted their tenders. The tenders were opened on the 10th of April. Then they were sent to the architects for scrutiny. The architects on examination found that this is a special job—a structural job which only Messrs Tirath Aam Ahuja and Company could do, because they had constructed the original Asoka hotel building. Considering their high standard of performance, reputation and experience, particularly in the architectural building works and taking into account the nature and complexity of the Asoka Hotels Annex project, the management accepted the second lowest tender, because they did not consider the lowest tender as competent. Then it came to me.

**Shri S. S. Kothari:** The explanation makes the case worse.

**Shri Jaganath Rao:** Listen to my case. They accepted the second lowest tender. When it came to me, I came to the conclusion.

**Shri Jyotirmoy Basu:** Entirely a cock and bull story (Interruptions).

**Shri Jaganath Rao:** I came to the conclusion.

**An hon Member:** We are not satisfied.

**Shri Jaganath Rao:** Don't be satisfied. I do not want you to be satisfied (Interruptions).

**Mr. Speaker:** Will you all kindly sit down? Otherwise I will have

no alternative except to adjourn the House. (Interruptions)\*\*

Mr. Speaker: Nothing will be recorded.

श्री कंवर लाल गुप्त : अध्यक्ष महोदय, वेरा प्वाइंट प्राफ़ थाईर है। मिनिस्टर साहब ने जो यह कहा कि पे इस मे इंटरस्टेड नहीं हूँ कि प्राफ़ का सैटिस्फ़ैशन होता है या नहीं, मैं समझता हूँ कि यह ठीक नहीं है। मिनिस्टर साहब का फ़र्ज है कि वह मेम्बरो को सैटिस्फ़ाईड करे। वह पार्लियामेंट के लिये जबाबदेह है और जो भी ऐशन उन का होगा उन के लिये उन को पार्लियामेंट को जवाब देना होगा।

Mr. Speaker: I have not come across one Minister in any democracy who can satisfy the whole House. He may partly satisfy one section and partly another section, but not fully the whole House. Now, let the hon Minister continue his speech.

Shri Surendranath Dwivedy: He must explain why the second lowest tender was accepted.

Shri Jaganath Rao: I am stating the facts. The Asoka Hotel management accepted the second lowest tender on the ground that they have confidence in this contractor, because he has constructed a number of such buildings and the main Asoka Hotel was constructed by this contractor in the year 1956-57. Then it came to me when I came to this Ministry. I thought that Asoka Hotels being a public sector undertaking, which autonomous, it has the right to choose its own contractor.

As regards the tender amount, when there was the lowest tender and the difference being Rs. 2,12,000. I thought I should consult the Finance Minister. I went to him and he also agreed with me. On his advice I directed the Ashoka Hotel management that if they were interested in accepting the second lowest tender he should be asked to reduce it by Rs. 2,20,000.

\*\*Not recorded.

Shri Jyotirmoy Basu: You cannot do it.

Shri Jaganath Rao: We can do it and that was done. The contract was given to Tirath Ram Ahuja and Company.

Shri Surendranath Dwivedy: The only question is why others were not given the same privilege.

Shri Jaganath Rao: Technically the architects who examined all the tenders (Interruption).

Shri Kanwar Lal Gupta: Not all. The architect has given remarks about Sardar Uttam Singh Duggal and Company, not about others.

Shri Jaganath Rao: On the advice of the architects this tender was accepted and because of my intervention the amount was reduced by Rs 2,20,000.

Then, as regards the point that the lowest tenders should be accepted, where the tender is incomplete it is liable to be rejected, I may say that Under condition 14 of the tender notice the Managing Director has the right to reject the lowest tender without assigning any reason. That is the general condition which you find in any tender notice.

Another thing is that it is open to the Managing Director to accept the whole tender or only in part. The power or right to accept the tender in whole or in part vests with the Managing Director.

Shri Surendranath Dwivedy: That is quite different.

Shri M. L. Sondhi: But you are a Minister. You should accept ..

Shri Jaganath Rao: Where the tender is incomplete it is liable to be rejected. It does not mean that ipso facto it shall be rejected.

Shri Jyotirmoy Basu: Why did you consult the Finance Minister?

Shri M. L. Sondhi: Why are you passing the buck to others? You take a decision.

**Shri Jyotirmoy Basu:** It is a case of corruption and stealing

**Shri Jaganath Rao:** We shall come to the corruption aspect later

As to why I consulted the Finance Minister, I thought I should accept the recommendation of an autonomous body but, at the same time, because a large amount was involved I thought I should consult the Finance Minister. I sought his advice and on his advice I directed them to see that the tender was reduced by Rs 2,20,000

**Shri S. S. Kothari:** You are exonerated

**Shri Jaganath Rao:** There is no question of insinuation or exoneration

**Shri Kanwar Lal Gupta:** He wants to involve himself.

**Shri Jaganath Rao:** That does not matter. If anybody can involve me, he can involve me

Then, all this is attributed to two persons—one is the Chairman and the other is the Secretary to the Ministry. Answering a short notice question in this House I said that the Secretary did not figure in the transaction at all

श्री कान्वर लाल गुप्त : मास्ट क्लरेम का कास्ट्रक्ट प्राप ने

**Shri Jaganath Rao:** I am answering one point. Why do you raise another point? Let me finish this point

The Secretary of the Ministry had nothing to do with this. When the papers came to me straightaway without even telling the Secretary I went to the Finance Minister

**Shri M. L. Sondhi:** It was behind the scenes influence, not on paper

**Shri Jaganath Rao:** About the Chairman, Shri Rathnam, he was only a Director of the Ashoka Hotels management in 1955-56 when the hotel was constructed

श्री कान्वर लाल गुप्त : यह काजपत्तनवर मे कोठी बनी तब ५-५५ थे ?

**Shri Jaganath Rao:** At that time nobody could have imagined that Ashoka Hotel would expand in 1967 and that this project would again be given to a contractor. In the mean while even if Tirath Ram Ahuja and Company had constructed his house—I do not know; but even, for the sake of argument, supposing he did it—could it be assumed, much less presumed that this contract was given to Tirath Ram Ahuja and Company because he had constructed his house? Is there any evidence to show that?

**Shri Kanwar Lal Gupta:** Send the case to CBI. CBI will tell you

श्री रबी राय : अध्यक्ष महोदय, प्राप खुद कागजात देख ले ।

**Shri Jaganath Rao:** Wild allegations against persons

**Shri M. L. Sondhi:** Not wild, specific

**Shri Kanwar Lal Gupta:** There is a *prima facie* case for a CBI inquiry

**Shri Jaganath Rao:** I am coming to the other point

**Shri Kanwar Lal Gupta:** Sir are you convinced?

**Mr. Speaker:** He is replying

**Shri Kanwar Lal Gupta:** Nobody is convinced, not even the Minister himself

**Shri C. C. Desai:** Was the contract awarded by the Chairman or by the Board of Directors?

**Mr. Speaker:** Let him complete the main points

**Shri Nath Pai:** The incomplete tender is the whole thing.

**Shri Jaganath Rao:** These tenders were considered by the Board of Directors at a meeting on the 20th April after the tenders were opened and examined by the architects and the Board of Directors decided that it

should be given to the second lowest tenderer.

**Shri C. C. Desai:** It was not the Chairman but the Board of Directors who accepted it

**Shri Jagannath Rao:** By the Board of Directors

Then, two hon Members raised the question as to whether we should go ahead with a project of this type at a time when we are passing through a financial stringency

The hotel industry is a very competitive industry. The Asoka Hotel was constructed in 1965-56. For the last ten years, it has been there. If the Hotel is to exist, if it has been doing well for the last ten years and earning foreign exchange, it has to compete with other Hotels in the private sector.

**Shri C. C. Desai:** What is the dividend declared by them?

**Shri Jagannath Rao:** I can give you the figures of profits roughly. It has been earning good profits and valuable foreign exchange. About occupancy, 75 per cent of the occupancy is of foreign tourists which means that we are earning foreign exchange. That is why this Hotel has to expand. It can expand either horizontally or vertically. In the vertical expansion, they are going to have 9 luxury suites and a revolving restaurant. This public sector Hotel cannot think of having a night club or other attractions that go with a night club. While Oberoi has got a night club we cannot think of having a night club. There should be some novelty to catch the attention of the foreign tourists. (Interruptions)

**Shri Samar Guha:** The idea of novelty, etc. is nonsense for a poor country like ours.

**Shri Jagannath Rao:** There is nothing wrong in that. If we simply say ours is a poor country, there is financial stringency and that we

should not do anything, how is this industry to progress and to compete?

About the revolving tower, that portion of mechanism is going to cost about Rs. 5 lakhs or so (Interruption).

The important thing is not so much about the tower that revolves but two other important questions. The first is the question of the autonomy of the public sector and second the extent of parliamentary control that should be exercised in such cases. This question came up before the House in 1960 and late Mr Mavalankar who was in the Chair observed as follows. I would like to quote it for the benefit of the House. He said

The House has certainly got the right to enquire into any detail but then for the purpose of exercising the jurisdiction, we must have the balance as to how far we should interfere in the autonomy of these bodies. "

Then, in 1962 again, a similar question arose. (Interruptions)

**Shri Surendranath Dwivedy:** Do you mean to say they can misappropriate money and Parliament will not say anything?

**Shri V. Krishnamoorthi:** Sir in the guise of replying to the Half-an-Hour Discussion, he is questioning the very sovereignty of this House. (Interruptions)

**Shri Jagannath Rao:** In 1962 again, another question arose.

**Mr. Speaker:** As to what extent they have got the powers, and all that, you are trying to defend that. Why should they come to the Government? The moment they come to the Government, naturally the Parliament can have control.

**Shri Jagannath Rao:** I am explaining the position.

Shri Surendrasath Dwivedy: He is completely out of order Since you have permitted this matter to be discussed the question now whether Parliament can go into it is completely irrelevant (Interruptions) .

Shri Jaganath Rao, Parliament can, by all means, go into this question, not the day-to-day working of the public undertaking (Interruption)

Shri Kanwar Lal Gupta: This is not the day-to-day working

Shri M. L. Sondhi: A bad precedent is being created (Interruptions)

Mr. Speaker Order, order, if this is the way, we better adjourn and go If this continues I am going to adjourn the House Please conclude now

Shri Jaganath Rao Sir Parliament comes into the picture at a late stage The transaction has been entered into, the Minister-in-charge is satisfied and the Government is satisfied Still the House may question

the propriety of the transaction. Parliament comes into the picture when the Committee on Public undertakings enquires into it (Interruption)

Shri M. L. Sondhi: Why should you wait for the Public Accounts Committee? Can this House tolerate corruption?

Shri Jaganath Rao: whether something fishy has been done I can assure the House that nothing fishy has been done, nothing unholy has been done and there is no suspicion of that at all

Shri Kanwar Lal Gupta What about having a CBI enquiry? (Interruptions)

Mr Speaker He has not acceded to that The House stands adjourned to meet again tomorrow at 11 A M

11 15 hrs

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, July 25 1967/Śrāvāna 3 1889 (Saka)