

Debate No. 7

Parliamentary Questions - 29 April 2003

ROSE BELLE SUGAR ESTATE BOARD -MR S. PAHLADI - CHAIRMAN

The Leader of the Opposition (Dr. N. Ramgoolam) (*by Private Notice*) asked the Minister of Agriculture, Food Technology and Natural Resources whether, in regard to the appointment of Mr Pahladi as Chairman of the Rose Belle Sugar Estate Board, he will state -

his qualifications, experience, expertise and the terms and conditions of his appointment; whether there has been any adverse report against him during his chairmanship at the Mauritius Sugar Bulk Terminal Corporation; the result of the Police inquiry into the incident involving him at Cité Loyseau, and the date of termination of the previous Chairman's appointment and the reasons therefore.

Mr P. Jugnauth: Mr Speaker, Sir, first of all, let me welcome the hon. Leader of the Opposition back to the House after a well-deserved two weeks' vacation.

(Interruptions)

Mr Speaker: Order, please!

Mr P. Jugnauth: Mr Speaker, Sir, with regard to part (a) of the question, Mr Pahladi has the following qualifications. He is the holder of a Cambridge School Certificate and a diploma in Accounting from the London Chamber of Commerce.

Furthermore, he has considerable experience in the business field for having occupied high management positions at Kalachand & Co. Ltd. and Hall Geneve Langlois Group from 1973 to 1979.

He has also worked at the Mauritius Commercial Bank Ltd. for five years from 1968 to 1973.

(Interruptions)

Mr Speaker: Order!

Mr P. Jugnauth: In 1979, he started his own enterprise and has assumed the role of Director in various companies which he has set up himself.

He has been appointed Chairman of Rose Belle Sugar Estate Board on 25 April. He will be entitled to a fee of Rs12,000 per month.

With regard to part (b), there has been no adverse report against him during his chairmanship at the Mauritius Sugar Terminal Corporation.

With regard to part (c), I am advised by the Commissioner of Police that on 14 January 2002, Mr Pahladi reported a case of larceny with violence, which took place at Cité Loyseau.

(Interruptions)

Mr Speaker: Order!

Mr P. Jugnauth: After completion of the inquiry, the Police has referred the matter to the Office of the Director of Public Prosecutions who has on the 30 September 2002, advised prosecution against the assailants of Mr Pahladi. Mr Pahladi has not been charged with any offence in relation to this matter.

With regard to part (d), the previous Chairman of the Rose Belle Sugar Estate Board submitted his resignation on 18 April without providing any reason thereof.

Dr. Ramgoolam: Mr Speaker, I would like to have some clarification on part (a). I heard the hon. Minister say that Mr Pahladi's salary will be Rs12,000. Is there any allowance involved, that is, does he get an official car, a chauffeur, a mobile phone? We would like to know things like that.

Mr P. Jugnauth: I have stated, Mr Speaker, Sir, he will receive a fee of Rs12,000 per month and that is all.

Dr. Ramgoolam: There were - I am sure the hon. Minister is aware - complaints of abuses, of massive bills of mobile telephone that he used when he was Chairman of the Mauritius Sugar Bulk Terminal Corporation. Is the hon. Minister aware of an affidavit that has been sworn in the Supreme Court against Mr Pahladi for corrupt practices?

Mr P. Jugnauth: Well, the hon. Leader of the Opposition has mentioned about massive bills, which apparently Mr Pahladi has made. There was already a Parliamentary Question on that matter and there have been no massive bills of phone calls that Mr Pahladi has made. Secondly, I am not aware of an affidavit, which has been sworn, which the Leader of the Opposition is mentioning.

Dr. Ramgoolam: Perhaps I should enlighten the hon. Minister that there has been an affidavit sworn by a group who had tendered for the warehouse facilities that were going to be at the Mauritius Sugar Bulk Terminal.

An hon. Member: Under oath.

Dr. Ramgoolam: Yes, affidavits, as you know, are sworn under oath, I don't have to say that to you!

(Interruptions)

Mr Speaker: Order!

Dr. Ramgoolam: Is he aware that the affidavit had been sworn? Perhaps he did not know which affidavit I am talking about.

Mr P. Jugnauth: I am not aware of this affidavit, Mr Speaker, Sir.

Dr. Ramgoolam: In relation to the construction of that warehouse, is he aware that while he was while he was chairman of the Board at the Mauritius Sugar Bulk Terminal Corporation, he was also the Chairman of the Evaluation Committee?

Mr P. Jugnauth: No, I am not aware.

Dr. Ramgoolam: I can tell him he was. Is the hon. Minister aware that at the same time, he was also Chairman of the Quotation Committee?

Mr P. Jugnauth: I don't think that he was Chairman of the Evaluation Committee or the Quotation Committee.

Dr. Ramgoolam: Is he aware that he was also Chairman of the Finance Committee at the same time?

Mr P. Jugnauth: Well, if the hon. Leader of the Opposition will come with specific questions, I am prepared to check and give all the details to the House.

Dr. Ramgoolam: I would have thought the hon. Minister would have learned if he has appointed the man as Chairman of the Mauritius Sugar Bulk Terminal Committee. Would he say it would be normal - I'll put it differently - that a person who is named Chairman of the Mauritius Sugar Bulk Terminal Corporation, is also Chairman of the Evaluation Committee, is also Chairman of the Quotation Committee, is also Chairman of the Finance Committee? If that were the case, would he have found it normal therefore that he decided on the tender exercise?

(Interruptions)

He does not know, so, I am asking him.

Mr P. Jugnauth: At any rate, he was...

Mr Speaker: I think...

(Interruptions)

Yes, but I must draw the attention of the Leader of the Opposition....

(Interruptions)

Order! I must say that the hon. Leader of the Opposition is asking for the opinion of the Minister on certain matters. In fact, it is hypothetical. Is the Minister prepared to reply?

Mr P. Jugnauth: At any rate, he was not the Chairman of the Tender Committee, but as I have stated, I am prepared to furnish to the House all the details that have been requested by the hon. Leader of the Opposition as far as whether he has acted as Chairman of Finance Committee and other Committees.

Dr. Ramgoolam: I didn't say he was Chairman of the Tender Committee. I said Evaluation Committee, Quotation Committee and Finance Committee, not Tender Committee. That is what I said.

(Interruptions)

I never said Tender Committee. The hon. Minister is trying to *noyer le poisson*, we know. He was already Chairman of these three committees and Chairman of the Mauritius Sugar Bulk Terminal Corporation, and, therefore, that is why eventually there was a case of alleged corrupt and fraudulent practices. That is why the affidavit was sworn. I am sure that if the hon. Minister looks into it, he would find out. But can I ask him, therefore, whether he knows - because he said he was not aware of any complaints - that there were complaints of abuses and malpractices not only from the members of the personnel, from the Union who wrote letters to the hon. Minister, giving a copy to me. Even the members of the Board made complaints against him. Is the hon. Minister aware of that?

Mr P. Jugnauth: No, Sir, I am not aware.

Dr. Ramgoolam: The hon. Minister is not aware of anything and, therefore, he finds it normal. Can I ask why did Mr Pahladi resign as Chairman of the Mauritius Sugar Bulk Terminal Corporation?

Mr P. Jugnauth: Mr Speaker, Sir, how can I be aware of matters which are not, in fact, correct? The hon. Leader of the Opposition has made mention about fraudulent practices, about allegations, about members of the Board not in agreement supposedly with the Chairman. Unfortunately, I don't know where the Leader of the Opposition has got these information.

(Interruptions)

I have forgotten about the last question.

Mr Speaker: Order, please!

Mr P. Jugnauth: Perhaps if the hon. Leader of the Opposition could repeat the last question that was put.

Dr. Ramgoolam: I asked whether he was aware of complaints of abuses and malpractice and the last question was: why did he resign?

Mr P. Jugnauth: No reason has been stated in his letter of resignation.

Dr. Ramgoolam: Can the hon. Minister say whether, at his level, an inquiry was made as to why he used an official car when he was not entitled to one? Ex-Minister Choonee gave an answer in Parliament that he was using it for unofficial reasons. Why was this allowed and what action has been taken?

Mr P. Jugnauth: I am not aware about his using an official car. I know that he had used an official car for a period of time, because his personal car had broken down, but that was for a very short time. He was not entitled to use an official car. An official car was not put at his disposal throughout his period of chairmanship.

Dr. Ramgoolam: Is the hon. Minister aware that during that very short period of time that he mentioned, he had this incident? He was not on an official function on the day there was this problem.

Mr P. Jugnauth: If he has used an official car, I think there is an inquiry, which has been completed by the Police and this has been submitted to the DPP. So, let us wait and see.

Dr. Ramgoolam: If that happened in January 2002, now, we are in 2003 as he well knows, is the hon. Minister saying that he is not aware at all of any movement that is happening there?

(Interruptions)

Mr P. Jugnauth: Sorry, I did not get the last part of the question.

(Interruptions)

Mr Speaker: Order!

Dr. Ramgoolam: Is he aware that subsequent to a road traffic accident involving again Mr Pahladi and his unofficial car, money from the Mauritius Sugar Bulk Terminal Corporation was used to compensate the driver of the other car?

Mr P. Jugnauth: I don't have the details of what the Leader of the Opposition is alleging.

Dr. David: The Minister is not aware of anything!

(Interruptions)

Mr Speaker: Order, please!

Dr. David: The Minister is not aware of anything, but, at least, and I am going to shout ...

Mr Speaker: Order, please. No, don't shout! Don't shout, please!

(Interruptions)

Yes, hon. Abdoola!

Dr. David: He is not aware of anything, but, at least, can he tell us what Mr Pahladi was doing at Cité Loyseau round about midnight?

Mr P. Jugnauth: How would I know, Mr Speaker, Sir?

(Interruptions)

Mr Speaker: Order, please!

Dr. David: Mr Speaker, Sir, is he the same Pahladi who was tied naked in a cemetery by prostitutes?

(Interruptions)

Mr Speaker: Order, please. Hon. David, this is not fair to that person. He is not in the House, he cannot reply ...

(Interruptions)

Order, please! I won't allow this question. This is not fair to that person. He had been tied naked? Have you any evidence? Can you bring some proof to the House? This is not fair.

Dr. David: Can I ask what was Mr Pahladi doing at Cité Loyseau round about midnight in an official car?

(Interruptions)

Mr P. Jugnauth: I have answered, Mr Speaker, Sir. How would I know what he was doing at Cité Loyseau?

(Interruptions)

Mr Speaker: Order!

Dr. Boolell: Mr Speaker, Sir, knowing perfectly well that Mr Pahladi was forced to resign as Chairman of Mauritius Sugar Bulk Terminal Corporation, because he was involved in shady deal, trying to corrupt ...

(Interruptions)

Mr Speaker: Order!

Dr Boolell: ... I would like to ask the Minister if it is not a timely coincidence that Mr Pahladi has been appointed as Chairman of Rose Belle Sugar Estate Board at a time when land has to be parcelled out to pay for the cost of centralisation and VRS? This is precisely the reason why he has been appointed, because we are talking about somebody who is corrupt, who is going to make money out of the pocket of the poor!

Mr P. Jugnauth: This is a very gratuitous allegation made by the hon. Member.

Dr. Boolell: I will say it loud and clear. Will the Minister state the reason as to why Mr Pahladi has been offered the job? Is it not because he can blackmail the Minister?

Mr P. Jugnauth: There is no such thing, Mr Speaker, Sir.

Dr. Boolell: Mr Speaker, Sir, when Mr Pahladi was forced to resign, is the Minister aware that he has been going around saying that he can take the Minister to task at any time, that he can bring to disrepute the Jugnauth family and that his resignation was provoked by the Deputy Prime Minister?

Mr P. Jugnauth: Again, there was no such thing, Sir.

Dr. Boolell: Mr Speaker, Sir, is the Minister aware that Mr Pahladi has been going around saying that the Deputy Prime Minister provoked his departure, because he refused

to award the contract for the construction of a second warehouse to General Construction? And this is the kind of rumour that has been going around.

Mr P. Jugnauth: No, Sir.

(Interruptions)

Mr Speaker: Order!

Dr. Boolell: Mr Speaker, Sir, will the Minister state the reason as to why Mr Pahladi chose to award the contract to the second best tenderer when Servansingh and Jadav should have been awarded the contract, the reason as to which they chose to swear an affidavit?

Mr P. Jugnauth: The tender for this contract has never been awarded.

Dr. Boolell: There was a second and third tender calls, because of controversy ...

(Interruptions)

Mr Speaker: Hon. Boolell, please. Order!

(Interruptions)

Order, please! Hon. Abdoola!

The Deputy Prime Minister: Mr Speaker, I think you heard perfectly the word that was used and that appeared on your consecrated list. I think the Member should be made to withdraw the word, Mr Speaker, on a point of order.

(Interruptions)

Mr Speaker: In spite of my calling the House to order on the last sitting, I am sorry to say that you are still acting like spoilt children. Withdraw the word.

Dr. David: I withdraw the word, Sir.

(Interruptions)

Mr Speaker: Hon. Dulloo, I am calling the next item, do you have any question?

(Interruptions)

Mr Dulloo: Put the House to order and I will put my question.

Mr Speaker: Order!

Mr Dulloo: The hon. Minister said that he is not aware of malpractices or maladministration whist Mr Pahladi was Chairman of the Bulk Sugar Terminal, but we have all evidence about this, that he has been forced to resign. So, I am asking him whether that person who could not run and administer a body dealing with one hundred millions of rupees, now he is appointed to administer a body running about hundreds of millions of rupees....

Mr Speaker: Hon. Dulloo, your question, please.

Mr Dulloo: May I ask the hon. Minister, therefore, whether the Rose Belle Sugar Estate is in such a condition as to remove Mr Ratacharan who was doing a good job - such a person ...

(Interruptions)

Mr Speaker: It is a commendation to the former Chairman. I would like to have your question.

Mr Dulloo: A person who has failed at the head of the Bulk Sugar Terminal is now being put at Rose Belle Sugar Estate. Would that not be putting that sugar estate at risk?

Mr P. Jugnauth: First of all, there were no malpractices as alleged by the hon. Member at the Bulk Terminal. Secondly, the Chairman was not forced to resign. In fact, he resigned out of his own free will. I understand also that it was for health reasons. But the hon. Member should, of course, remember in what state the previous Government had left Rose Belle Sugar Estate.

(Interruptions)

Mr Speaker: Order!

Mr P. Jugnauth: It was in a state of bankruptcy and as there is a vacancy of chairmanship at the Rose Belle Sugar Estate Board, I have requested Mr Pahladi to take up the challenge in order to redress the financial catastrophe that was left by the former Government.

Mr Dulloo: May I ask the Minister whether he should not make a difference between the factory and the sugar estate? I am asking whether now Rose Belle Sugar Estate is not proceeding with parcellisation of land, with a project of Integrated Resort Scheme and that land also is being earmarked for the setting up of what they are calling an Information Park...

Mr Speaker: Hon. Dulloo, can you take your seat?

I am asking you to stick to the question. I have allowed enough latitude to Members to put questions on Mr Pahladi and now you are going away from the original question. Parcellisation and whatever is happening at Rose Belle Sugar Estate is not our concern here.

Mr Dulloo: I am asking him whether Mr Pahladi is appointed there in order to handle all those land transactions that would be taking place and whether he is appointed for that purpose?

Mr Speaker: I understand. You have put a question and let the Minister reply first.

Mr Dulloo: I have not finished!

Mr Speaker: No, you have finished. Hon. Dulloo, please, take your seat. You have put a question, I got the question.

Mr P. Jugnauth: Mr Speaker, Sir, as I have stated, Mr Pahladi has been appointed Chairman of the Rose Belle Sugar Estate Board in order to redress the very bad financial situation that was left by the Labour Party of the previous Government and he is appointed to do a job according to terms of reference that are specified.

(Interruptions)

Dr. Ramgoolam: Can the hon. Minister ask his father, the ex-leader of the MSM, whether he is aware since when Rose Belle Sugar S.E. is losing money massively and what was happening at Sugar Estate? He should have asked and then he would have found out. Is he aware that, when Mr Rajkumar was appointed, he started redressing the situation, and that is why he was sacked?

(Interruptions)

Mr Speaker: Order, please! I would like to remind Members of the House that, when referring to another Member of the House, they should do so by referring to the

constituency from where the Member has been elected. They should not refer to father or son, but as hon. Member or hon. Minister.

(Interruptions)

Mr Speaker: Order, please!

Mr P. Jugnauth; Mr Speaker, Sir, I do not have to ask anybody about the financial situation of Rose Belle. I am the Minister of Agriculture. Rose Belle Sugar Estate Board is under my responsibility and I know fully well the situation, especially, from 1995 up to September 2000, when the situation has, in fact, deteriorated. The milling company was making a profit in 1995 and it ended up with huge losses. This is the *bilan* of the previous Government!

Dr. David: Mr Speaker, Sir, the hon. Minister has been mentioning 1995 as the start of the decline. Can we know who was at the helm of the Government at that time?

Mr P. Jugnauth: It was the start of the decline and it was accentuated by the mismanagement of the former administration.

Dr. Ramgoolam: The hon. Minister does not even know who was Prime Minister in January 1995! The election was in December 1995. The hon. Minister said that Mr Pahladi has resigned for reasons of ill health. Is he now better that he can take the new position?

Mr P. Jugnauth: I must say that he is much better now; he is in better shape.

Dr. Ramgoolam: I take it that the Minister is satisfied that his health is good enough to be able to do the parceling of land that he is going to be involved in.

Mr P. Jugnauth: I am satisfied that he has been appointed as Chairman to do the job of Chairman.

Dr. Ramgoolam: Can I ask him whether he is satisfied *à ce stade* that Mr Pahladi is a man of proven competence, integrity and honesty, and that he will deliver the goods?

Mr P. Jugnauth: Otherwise he would not have been nominated as Chairman.

Dr. Boolell: Can the Minister inform the House whether he found out if Mr Pahladi is a man of integrity as a result of the number of times he had to resign from wherever he worked? Did the Minister try to find out the reasons as to why he was forced to resign from the private sector?

Mr P. Jugnauth: So far, I have nothing to doubt about the integrity of Mr Pahladi.

Dr. Boolell: The Minister has nothing to doubt the integrity, yet the same gentleman was trying to conduct business with Servansingh/ Jadav. The result of which was that an affidavit was sworn ...

(Interruptions)

Mr Speaker: I should again repeat what I said last week, that a question should not contain a statement of fact. What the hon. Member is saying is that the gentleman was conducting business with Servansingh/

Jadav. This is a statement of fact. Can the hon. Member give some evidence to the House? We are trying to set some standard in this House.

Dr. Boolell: Mr Speaker, Sir, can the Minister, in the name of transparency, lay on the Table of the Assembly all correspondences between him, the Board and the trade union, as to the way Mr Pahladi was interfering in the day-to-day running of Sugar Bulk

Terminal, with the consequence that innocent workers were provoked to depart from the Sugar Bulk Terminal?

Mr P. Jugnauth: He was not interfering in the day to day affairs of the Sugar Bulk Terminal. He was there as Chairman and he has performed his job accordingly.

Dr. Boolell: He was only preparing tender documents. That's what he was doing all the time there!

Mr Speaker: Next item, Questions to the Rt. hon. Prime Minister, please. I have been advised that PQ No. B/266 will be answered by the Rt. hon. Prime Minister.