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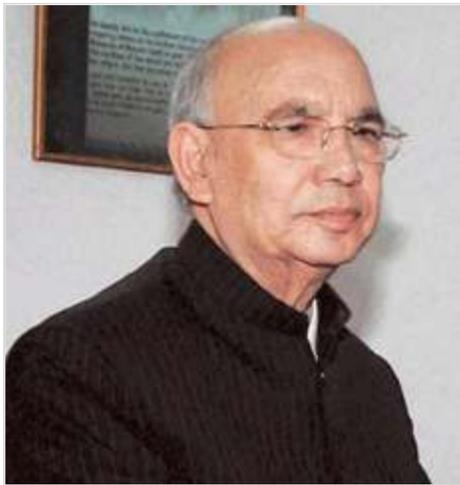
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Bharadwaj in a conflict of interest controversy

Ajmer Singh | New Delhi, March 5, 2011 | 10:25

Outspoken **Karnataka governor H. R. Bhardwaj** has landed in a conflict of interest mess. An investigation has revealed that he heads a government-funded commercial disputes resolution panel even though he holds a constitutional post.



Karnataka governor H. R. Bhardwaj

What is worse is that during his stint as Union law minister, **Bhardwaj** first drafted and cleared a proposal to set up the International Centre for Alternative Dispute Resolution (ICADR), a quasi-judicial body based in Delhi to settle differences between multinational corporations (MNCs). He then got the government to fund it and had himself elected as its chairman. The centre functions under the aegis of the Union ministry of law and justice.

Constitutional experts said it is "improper" for Bhardwaj to hold on as the centre's chief while occupying the Raj Bhavan in Bangalore even as the Karnataka governor said he will have "no objection" if someone else was elected ICADR chairman.

Bhardwaj, who had sanctioned the prosecution of Karnataka chief minister B. S. Yeddyurappa in an alleged land scam in an apparent effort to raise moral standards in public life, was elected chairman of ICADR - the post has a tenure of five years - when it was formed in 1995. He continues to be in the post over 15 years later, and well into his gubernatorial tenure that began in June 2009. His lawyer son Arun Bhardwaj is a 'life member' of the dispute-resolution panel.

Senior advocate Rajiv Dhawan said, "It is improper for him (Bhardwaj) to hold on to an honorary post of this nature even if he is not paid. This is a case of a person creating sine cure post for himself after ceasing to be law minister. If the law minister had been the chairman in his ex-officio capacity, it is still understandable.

But, that is not the case. It is high time this is assigned to the Indian Law Institute or the International Law Institute."

Constitutional expert Subhash Kashyap said Bhardwaj's move was "against propriety" and not in keeping with the dignity of the high office of the governor.

"If the body works under the government and the chairman has executive powers, then this will also attract the provisions of the office of profit," he said.

Questions have been raised on what led Bhardwaj to pilot the idea of establishing ICADR and accept its chairmanship. The centre's chairman has an office on the premises and enjoys limited perks and executive powers.

Is this a case of office of profit since the institute functions under the government and is also funded by it - the government sanctioned a grant of Rs 11 crore.

With help from the Delhi Development Authority and the ministry of urban development, a Rs 2.5 crore plot was purchased for the centre which also has a fixed deposit of Rs 3 crore, said ICADR secretary general B. S. Saluja.

Saluja said that Bhardwaj and deputy chairman of the Planning Commission Montek Singh Ahluwalia - he was then Union finance secretary - felt that there should be an alternative dispute resolution mechanism especially for settling international commercial disputes since MNCs were coming to India.

"The ICADR has a wide role. Almost all disputes - commercial, civil, labour and family disputes - in respect of which the parties are entitled to conclude a settlement, can be settled by ADR procedures. The body has proved successful in the business environment in disputes involving joint ventures, construction projects, partnership differences, intellectual property rights,