

DR. GOPALRAO VITHALRAO PATIL: Sir, there are many religious places where lakhs and lakhs of pilgrims go and put their offerings in the form of cash and kind. If trusts are formed and the money is entrusted to these trusts, then, they will be able to create all the facilities which are needed for the pilgrims. This is a very important phenomenon. Every day, the number of pilgrims visiting each and every place of worship is increasing. I would like to know whether the Government is thinking of forming trusts where the offerings of the devotees are collected in *dhaan petees* and opened just like it is done in pilgrims centres like Tirupati and Vaishno Devi. If such an open and transparent method is followed and trusts are formed, then, it will be very useful. You can create many facilities for the pilgrims. I would like to know whether the Government is thinking in these terms.

MR. CHAIRMAN: That's all right. Your question is clear.

SHRIMATI MANEKA GANDHI: Sir, it is good idea. Unfortunately, I am not in charge of any trust or anything like that. As far as the hon. Member's point on trusts is concerned, we will try and keep it in mind.

\*306 [The question (DR. MOHAN BABU) was absent. For answer, vide page .....*infra*.]

#### **PF Payment to retired employees of Jessop and Company**

†\*307. SHRI DIPANKAR MUKHERJEE:†

SHRI NILOTPAL BASU:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the current position of outstanding towards exempted P.F. A/c of Jessop and Company Ltd.;

(b) the number of retired employees who are not getting their P.F. dues because of employer's failure to deposit the money; and

(c) the action taken by Government against the erring management and the steps to arrange P.F. payment to the retired employees?

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†The Question was actually asked on the floor of the House by Shri Dipankar Mukherjee.

THE, MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI MANOHAR JOSHI): (a) to (c) A statement is laid on the Table of the House.

**Statement**

(a) The Provident Fund (PF) dues of Jessop as on 1.4.1997 were Rs. 34.96 crore. In accordance with the scheme of rehabilitation sanctioned by BIFR, the Company made a down payment of Rs. 6.99 crore towards these dues with budgetary support from the Government. Thereupon the balance due of Rs. 27.97 crore was converted into a PF loan by the PF authorities. This amount was repayable in 4 equated annual installments starting from 1999-2000.

The performance of the Company has however, not conformed to the scheme of revival envisaged by the BIFR. Additional PF dues of Rs. 17.70 crore have become payable since 1.4.1997 and together with the outstanding PF loan of Rs. 27.97 crore referred to above, the total PF dues as on 30.11.1999 is Rs. 45.67 crore. Besides these amounts, an amount of Rs. 4.54 crore is due towards gratuity and Rs. 2.62 crore towards Employees State Insurance (ESI).

(b) The number of retired employees yet to receive their PF dues is 682.

(c) The accumulation of PF dues is on account of the inability of the company to generate funds from its manufacturing operations in accordance with the plans envisaged by the BIFR in the revival scheme. Government have, however, extended concessions and provided support to the Company as proposed in the scheme. Among the problems which beset the Company is the lack of adequate orders. Government is revamping the management of the Company through the induction of a new Managing Director. The revival scheme would need to be recast and arrangements made for liquidation of dues.

SHRI DIPANKAR MUKHERJEE: Mr. Chairman, Sir, this is an on-going concern of the Jessop and Company, under his Ministry where workers are not getting the provident fund dues after retirement. The Minister himself said in his reply to part (b) "The number of retired employees yet to receive their PF dues is 682.". My question was specifically related to the management not paying

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employer's share to the P.F. account since March, 1990. Since March, 1990, they are not paying their own share, employers' share, with the result that the dues are Rs. 45 crores. I am asking about the action taken by the Government against the erring management. The reply is that the accumulation of PF dues is on account of the inability of the company to generate funds. My point is, irrespective of whether it is a public sector company or a private sector company, if the company does not generate funds, does it give it the authority, power or concession, whatever you call it, not to pay its share of PF? By doing this, are you not giving an example, a modern example, from the Government that if a company does not, in its own terms, generate funds, it is free not to pay its own share into the PF account? The result will be that thousands of people will not get their PF dues after retirement. What is the action you are contemplating against the management? They have not been paying their share of the PF from 1990 onwards!

SHRI MANOHAR JOSHI: Sir, it is true that the share of the employers was not paid. It is true that it was because the company was not in a position to pay the funds. There are a number of reasons why the Government could not pay it. The company is incurring losses for a very long time. The losses have aggregated to Rs. 200 crores so far. I know that it is very difficult. The Provident Fund amount should have been paid. Once upon a time, the Government were making the payment. The Government has contributed to the extent of approximately Rs. 6 crores. So, it is not the desire of the Government that the amount should not be paid. But, at the same time, it is the responsibility that the money which is to be paid must be generated in the company itself. Therefore, the Government is thinking of joint venture also in the company so that, in future, it is possible to pay the money, the Provident Fund or other dues from time to time.

SHRI DIPANKAR MUKHERJEE: Sir, I am sorry. It does not solve the problem. The people are not getting their payment, whether you are going in for a joint venture or whatever venture. They are retired employees. Will the retired employees wait for the joint venture to come? Another 500 people are going to retire in June, 2000. Are these people, 682 plus 500, going to wait for the Government to go in for the joint venture or the revival scheme to

succeed before they get their PF dues? Is that as per the laws of the land? Can the company violate the laws of the land whereby they can deprive the people of their PF dues for years together? I would request the Minister, please delink from this governmental exercise. Kindly go into it. Would you kindly assure us that there shall be a time limit? We will sit with you if you want. But this cannot go on like this. We want an assurance that the retired employees would get their PF dues within a time-frame. Could you not give that assurance? How long will they wait? Indefinitely till the company starts generating funds or till the joint venture comes? It is their dues, PF dues! A lawyer is sitting behind you. He will not allow you to do that. Can you do it, Mr. Jeitly? When employees retire, their PF amounts are due. Can I say, "Retired employees, a joint venture company or revival is coming to generate funds. Till such time, please sit down and don't ask for PF dues"? Is that the law of the land? Can the Government say this on the floor of this House that in this way they will violate the laws? You cannot do that. If you have any problem, come and we will sort it out. If necessary, ask the Finance Minister to give another Rs. 30 crores. They are retired employees. They are not getting their PF dues because the company is not generating funds. Do you get satisfied with this reply? Please assure us something.

SHRI MANOHAR JOSHI: It is true that it is the responsibility of the company to generate funds to see that they get their salaries and PF dues. (*Interruptions*). It is not that the Government ...(*Interruptions*). The Government does not deny payment of their dues. In the reply itself, the Government has said, "Government is revamping the management of the Company through the induction of a new Managing Director. The revival scheme would need to be recast and arrangements made for liquidation of dues." Sir, it amounts to an assurance to this House that the payment will be made. (*Interruptions*) I am sure that the hon. Member certainly understands what I have to say. (*Interruptions*)

SHRI JAYANT KUMAR MALHOUTRA: Sir, when is this payment going to be made? (*Interruptions*)

SHRI MANOHAR JOSHI: Sir, it is true that the matter relating to this company was referred to the BIFR and the BIFR had prepared a revival scheme for this company. (*Interruptions*)

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SHRI GURUDAS DAS GUPTA: Sir, what argument is the Minister advancing? The Government is violating the labour laws and he is defending this action. *(Interruptions)* Mr. Chairman, Sir, he is defending the violation of service rules by a public sector company which is owned by the Government of India. He is holding brief for default and violation. *(Interruptions)*

SHRI RAMACHANDRA KHUNTIA: Sir, the Minister should give an assurance that the Government will make the payment of the provident fund dues to the workers. *(Interruptions)*

SHRI GURUDAS DAS GUPTA: The Ministry of Heavy Industries and Public Enterprises should make a recommendation to the Ministry of Finance that adequate funds should be made available for the disbursement of the statutory dues. *(Interruptions)*

SHRI JAYANT KUMAR MALHOUTRA: Sir, we are totally dissatisfied with the answer given by the Minister. *(Interruptions)*

SHRI MANOHAR JOSHI: Sir, I am on my legs and I have not completed the answer. I am still replying to the question. *(Interruptions)*

MR. CHAIRMAN: The Minister is saying, let him complete his reply. The hon. Minister wants that he should be allowed to finish his reply. Thereafter, you can put your questions. *(Interruptions)*

SHRI MANOHAR JOSHI: Sir, I am explaining the position of the company. In order to understand the whole thing, the hon. Members must understand as to why the provident fund amount has not been paid. The only reason has been that when the matter of this particular company was referred to the BIFR, both the parties, the Government as well as the workers, agreed to certain things. *(Interruptions)*

MR. CHAIRMAN: Mr. Prem Chand Gupta, let him complete. Why do you interrupt him?

SHRI MANOHAR JOSHI: Sir, certain things were agreed to by the Government and the workers, and whatever part was agreed to by the Government, was completed by the Government. Whatever amount was to be paid by the Government, was paid by it well in advance. The total amount which was to be paid by the Government, as per the revival plan, was Rs. 54 crores, and the same was paid by

the Government to this particular company. The House will be surprised to know that in the case of this company, unfortunately, to a certain extent, things were not done as per expectation by the workers also, and therefore, ultimately, the company could not do its work. It is also true that the orders which were expected to be given by other Departments of the Government were also not given, and therefore also, the company could not run properly without getting any money from the company, without any earnings of the company, how can it be expected that the Government will always go on paying to the company on this count? Still, I have said that the Government has a desire to pay the provident fund amount because it is the legal duty of the Government to pay this amount, and I assure the House once again that the amount of provident fund, which is to be paid to the retired employees, will be paid positively.

SHRI NILOTPAL BASU: Sir, the Minister is not understanding that the question of revival and the issue of payment of certain statutory dues to the workers are essentially independent questions and we have heard the Government arguing in Seattle that they are taking care of the labour. But we see here that the Government is blatantly flouting certain statutory provisions, which are meant for the welfare of labour, with impunity. The Minister is not understanding that such a reply by the Minister before the Parliament can be used by the private sector employers to deny the payment of statutory dues, that is, the payment of provident fund, gratuity and so on to their workers. The Minister has given an assurance here. Now, we would like to know by what time, this will be done. We want a time-bound assurance.

SHRI .MANOHAR JOSHI: Sir, the Government is trying its best to see that the company runs properly. The Government has no desire to close down the company. The Government is for a joint venture partner in the market..... and as soon as the position of the Government improves, the Government will be quick enough to make the payments.

MR. CHAIRMAN: Question Hour is over. ...*(Interruptions)*... Question Hour is over. Question Hour is over. ...*(Interruptions)*... Question Hour is over. Nothing will go on record. ...*(Interruptions)*... Question Hour is over. ...*(Interruptions)*... Question Hour is over.

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Now, Short Notice Question. Shri Venkaiah Naidu.  
...(Interruptions)... Short Notice Question.

### SHORT NOTICE QUESTION

#### Downgrading of 1001 Variety of Paddy

†308. SHRI M. VENKAIAH NAIDU: Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether it is a fact that the Food Corporation of India has decided to downgrade the 1001 variety of paddy;
- (b) if so, the reasons therefor;
- (c) whether it is also a fact that 1001 variety of paddy was treated as super fine category till this year;
- (d) whether Government have received representations from MPs, fanners organisation of Andhra Pradesh, in this regard; and
- (e) if so, the action taken by Government in this regard?

THE MINISTER OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI SHANTA KUMAR): (a) to (e) A statement is laid on the Table of the House.

#### Statement

- (a) No, Sir.
- (b) Does not arise.
- (c) No, Sir. MTU 1001 variety of paddy grown in Andhra Pradesh was classified in May, 1995 as 'Fine' variety. Following regrouping of earlier three groups to two groups viz. "Grade 'A'" and "Common" since Kharif Marketing Season 1997-98, this variety now falls under "Grade 'A'" category.
- (d) and (e) No, Sir. However, representations have been received from the Government of Andhra Pradesh and some Members of Parliament seeking revision of the maximum limit of admixture of lower class in the specifications of rice from 10% to 14%. Keeping in view the representations, it has been decided to accept rice in Andhra Pradesh with admixture of lower class upto 13% till to 31st March, 2000.