

## RAJYA SABHA

*Monday, the 3rd March, 1997/12th  
Phalgun, 1918 (Saka)*

The House met at Eleven of the Clock, Mr.  
Chairman *in the Chair*.

### ORAL ANSWERS TO QUESTIONS

\*121. *[The Questioner (Shri Chimanbhai  
Haribhai Shukla) was absent. For answer vide  
Col 26 infra.]*

#### Revival of Braithwaite and Company Limited

\*122. SHRI DIPANKAR MUKHERJEE:†  
SHRI NILOTPAL BASU:

Will the Minister of INDUSTRY be  
pleased to state:

(a) the revival status of Braithwaite and  
Company Ltd. as per sanctioned scheme of  
BIFR

(b) whether funds as per the scheme have  
been released by Government and the banks;  
and

(c) if not, the reasons therefor and its  
impact on the projected profitability in the  
scheme?

THE MINISTER OF INDUSTRY (SHRI  
MURASOLI MARAN): (a) to (c) A  
Statement is laid on the Table of the House.

#### Statement

(a) to (c) The BIFR sanctioned scheme  
envisages fresh fund infusion of Rs. 26.68  
crore inclusive of Rs. 8.38 crore for  
rationalisation of manpower, besides  
conversion of Government loan into equity  
and write-off of outstanding interest on  
Government loan. The revival scheme also  
envisages State Bank of India waiving penal  
interest of Rs. 62.32 lakh, converting  
outstanding interest amount of Rs. 1.38 crore  
into funded interest term loan and extending  
need-based working capital.

Government has released Rs. 9.13 crore so  
far. Fund for rationalisation of manpower is  
not required as the company has already  
reached the desired manpower level. Need-  
based working capital is also being reportedly  
released by SBI.

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

Although the performance of the company  
suffered during 1995-96 mainly due to delay  
in release of wagon orders, there has been  
distinct improvement in the working results of  
the company during 1996-97 indicating sure  
signs of turnaround.

SHRI DIPANKAR MUKHERJEE: Sir, I  
am not aware whether the hon. Minister has  
played cricket. In the cricket world, if you  
don't follow the rules of the game or if you  
don't follow the umpire's directives, they will  
say it is not cricket. In this particular case of  
revival of a sick public sector undertaking I  
can only say, "this is not cricket." Braithwaite,  
a wagon manufacturing company, was  
referred to the BIFR and a revival scheme was  
sanctioned on 17th October, 1995. This was a  
Rs. 26-crore package. Out of that, an amount  
of Rs. 22 crores had to be given by the  
Government during 1995-96 itself, p<sup>d</sup>,  
accordingly, the banks had to give certain  
reliefs and concessions and other agencies had  
to give some other reliefs. Out of this Rs. 22  
crores, only a sum of Rs. 4 crores was  
released during 1995-96. A major element,  
that is, the margin money for a working  
capital of Rs. 12 crores, had not been paid  
either in 1995-96 or in 1996-97. The BIFR at  
its meeting on 14th August, 1996 had  
specifically said, "Unless the Government  
treats this on priority basis, such revival  
schemes will never materialise."

Sir, my only question to the hon. Minister  
is this. If he is really serious about the revival  
of this company—the cash losses will  
increase, if you don't give it—would the  
Minister assure the House that whatever  
money is to be given by the Government will  
be given within this financial year, by 31st  
March itself, and based on that banks would  
be told unequivocally to give all the reliefs as  
envisaged in the scheme?

SHRI MURASOLI MARAN: Sir, I am  
thankful to the hon. Member for having  
brought this issue to the notice of the House.  
This company, Braithwaite, was referred to  
the BIFR in 1992. It was being examined by  
the BIFR right from 1992. The administrative  
approval for the sanctioned scheme was  
conveyed on 1st July, 1996. So, my  
responsibility, I would say our responsibility  
including the hon. Member's responsibility,  
begins from 1st July, 1996. We have made all  
arrangements. There

were some delays. I agree with that. But they have since been solved. I think enough money has been provided in the Revised Budget. A sum of Rs. 6.64 crores has been given. Another thing is that this Braithwaite company has been allotted a subsidy of Rs. 84.85 crores in lieu of interest and conversion of loans into equity to the tune of Rs. 59.61 crores has been allowed. All this will be sent before 31st March. There is no doubt about it. This has been provided for.

Sir, the hon. Member referred to cricket match. I am not a cricket player. But I know what Bernard Shaw said, "Eleven fools are playing and eleven thousand fools are watching." But the idea is to win the game. I think we will win the game. We will turn around this company.

SHRI DIPANKAR MUKHERJEE: Sir, I didn't have raised the second supplementary. But I am forced to raise it.

So far as the term "conversion of loan into equity" and all that is concerned, these are all book adjustments. What is required to money as per the scheme. Sir, because of the delay the Braithwaite and Company Ltd. has suffered a cash loss which is more than projected. Will the hon. Minister assure the House that this cash loss would be taken into account while making repayment? My question is very specific. This cash loss has to be taken into account.

The Government is an indivisible entity. I know it. I don't think that much autonomy has been given to the Ministry of Finance. I would like to know whether the Ministry of Industry would take care that the Ministry of Finance reimburses the cash loss suffered because of the delay in the payment of working capital during the last, two years.

SHRI MURASOLI MARAN: Sir, the cash loss is not due to one factor alone. There are several factors. Wagon orders did not come on time. The hon. Member knows about it. Last year the order came three months late. So the Company remained idle for four months. Then they had to pay idle wages. The BIFR projected a cash loss of Rs. 3.87 crores for 1995-96. The actual loss for that year is Rs. 14.67 crores. It

has overshoot by Rs. 10.80 crores. The BIFR in its meeting held on 14.8.1996 sought the opinion of the Government. They wanted to firm up our proposals. We will naturally take care of it. We will examine it along with the Ministry of Finance. We will do our best in this matter.

SHRI NILOTPAL BASU: Sir, the issue of Braithwaite and Company is really a very typical case. Here we see that the revival process has been disrupted at different phases due to a process of delayed decision-making by the Government as a whole. The difficulty is this. When the BIFR approves a plan, the financial responsibility which has to be undertaken by the Government, is processed in the Ministry of Finance. It is the Ministry of Industry which represents the Government of India before the BIFR. When a plan is approved after taking the opinion of the Government of India, we see that there are certain delays, certain lacunae and certain shortcomings. It is actually taking the responsibility in redeeming a part of the commitment of the Government of India to the BIFR. The delay is from the side of Ministry of Finance. I would like to know from the hon. Minister whether the Government of India would consider at this stage that a composite representation would be made by the Ministry of Industry along with the Ministry of Finance so that later on there are no problems so far as redeeming the accountability of the Government is concerned.

SHRI MURASOLI MARAN: As I said earlier, the actual cut-off date was 1st April, 1995. The first year of implementation was intended to be 1995-96. But it took off a year later. That is why there is delay. I share the anxiety of the hon. Member. We have to go to the BIFR and firm up our proposals. We will apprise them suitably. I assure the hon. Member—it is a commitment from the Government—that we would revive the Company.

SHRI NILOTPAL BASU: Sir, the Minister has not assured us that the Ministry of Finance would follow the revival proposal in letter and spirit.

SHRI MURASOLIMARAN: Sir, it is for us to persuade the Ministry of Finance. The former Finance Minister is sitting here. The constitutional duty of the Department of Expenditure is to oppose any expenditure. We will convince them. We will try to overcome it

SHRI GURUDAS DAS GUPTA: Sir, the hon. Minister has come out with a truth. His last sentence is true. The truth is, the Secretary, Expenditure, generally takes a negative attitude whenever there is a question of spending more on a revival case. He himself has admitted it. This is the main point. Whenever there is a question of making available funds for the revival of public sectors units as directed by the BEFR, there is always an obstacle and the obstacle is the Ministry of Finance because the Secretary, Expenditure, belongs to the Ministry of Finance. That is the question. The problem is like this. A large number of public sector undertakings are being looked into by the BIFR.

There was a commitment by the Government and there is a commitment of the Government that whatever BIFR shall decide, it will have to be accepted by the Government, because BIFR has a statutory recognition, as a creature of the Parliament. Sir, in this particular case, as we see elsewhere, whenever there is a delay at the BIFR level, the losses go on mounting. After BIFR makes a decision, sometimes banks stand in the way. In this case, also banks have stood in the way and whenever there is a decision, Government delays and funds do not come. As a result, the losses of the company mount and ultimately Government comes to the Parliament to say that we have no money to revive. Therefore, in this case, look at the reply he has given. He has said, there is a loss because release of wagon orders from the Ministry of Railways did not take place. It is an undivided Government. He is not speaking for the Ministry of Industry, he is speaking for the Government. Sir, Railways did not give an offer in time; therefore, there is loss. Secretary, Expenditure stood in the way; therefore, funds did not come. Despite the best of intentions my hon. friend, Mr. Maran, is fighting his own cause most valiantly in a difficult Government, I know; therefore, the question arises as to how

the Government is going to take a realistic view 'on the question of revival after BIFR takes a step. My question to the hon. Minister is: Will the Minister of Industry take an initiative in forming a coordinated agency? There has to be a coordinated move, a coordinated agency, whatever be the name constituted between the Ministry of Industry, Ministry of Expenditure and the nodal Ministry. In this particular nodal Ministry is the Ministry of Railways. Therefore, will he take the initiative of forming it so that there is no delay in implementing the decision of the BIFR and further loss does not take place in the company?

SHRI MURASOLI MARAN: Sir, leave alone the Expenditure Secretary's responsibility for the delay, the Finance Department will look into all aspects before spending a single pie. It is their duty. So, because of that, some delay takes place. The hon. Member said that there is no synergy or coordination between the departments. Sometimes delay takes place; we know. Sir, Government is a leviathan, it is an octopus. It is very difficult to arrive at a synergy. Sir, we are working towards it and I would tell the hon. Member, I repeat once again, reviving this company is a commitment; we are part and parcel of the commitment.

SHRI GURUDAS DAS GUPTA: My question is not answered. The question is, delay in the implementation of BIFR decision is leading to additional loss. Will the Government undertake the responsibility of making good the loss because of the delay in the implementation?

SHRI MURASOLI MARAN: Sir, in this case the loss has increased by Rs. 10.80 crores. But naturally we have to make good the loss. We are examining it.

SHRI NARENDRA MOHAN: Mr Vice-Chairman, Sir, the Minister has given a commitment that he is going to revive ultimately the Braithwaite and Company Ltd. Such commitments, Mr. Minister, have been given on the floor of the House in regard to other companies like National Textile Corporation and many companies which have been considered by BIFR. Their cases have been recommended and approved by the

Government of India; still funds are not flowing. The case of Gorakhpur fertiliser, the case of several textile units in Kanpur are some examples. I do not know how much time Government takes in considering the proposal and in giving the funds to those units which have been cleared by BIFR. Why can't there be, Mr. Minister, a proper policy, a time-oriented policy in giving and releasing the funds and why can't there be a coordinating committee? Once a case has been cleared by BIFR, then why are there various obstacles put by the Finance Ministry? I would like to know from you. After all, do you mean there cannot be a single window system? If you can create a window system, then all the problems will go. What is your reaction to it, Mr. Minister?

SHRI MURASOLI MARAN: BIFR orders are binding on the Government. So there is no question of any other body. Naturally, the administrative Ministry or the concerned Ministry should have a talk with the Finance Ministry; then only they give consent to the approval.

So, there is no question of going back. It shall be implemented.

SHRI NARENDRA MOHAN: When? After all, many cases are pending with the Government. Many cases, after being approved by the BIFR, are pending with the Government for years together. Why is the delay? Why are they pending for so many years, so many months? Why are the funds not released? My question is very pertinent and specific.

SHRI MURASOLI MARAN: The question is regarding one single company, Braithwaite and Company Limited. I assure you that all the money envisaged in the revised plan which are to be given for this company's revival, will be released before 31st March this year.

SHRI NARENDRA MOHAN: This is about this particular company. What about the other cases which have been already cleared by the BIFR but are pending with the Government?

SHRI MURASOLI MARAN: If you bring to my notice any particular instance, I will take care of that.

SHRI NARENDRA MOHAN: I have already told you about the Kanpur Textile Mills of Kanpur.

SHRI MURASOLI MARAN: It is not under my Ministry. Anyhow, I will bring it to the notice of the Textiles Minister.

SHRI VEDPRAKASH P. GOYAL: Sir, although this question relates to Braithwaite, this is happening to every BIFR case. The BIFR first takes 5-6 years to give its recommendations. Then, it is a cat-and-mouse story. One has to run in circles, from one Ministry to the other. The Ministry of Industry refers the cases to BIFR. But does it not have any responsibility to see that the recommendations given by the BIFR are implemented within a given time? Sir, time is the essence. If there is delay, losses are bound to keep on increasing. That is what has happened to Braithwaite. And that will happen to every company. Then, they will re-examine why the expenditure is going up and what they have to do. While we keep on examining, the company keeps on suffering. The company becomes worse and worse. I would request the hon. Minister to answer whether there is any arrangement in the Government, as an integrated body, to pay immediate attention to such problems and to provide money when it is due and at appropriate time. That is my question.

SHRI MURASOLI MARAN: This is very good suggestion. We will take note of it. Moreover, delay is due to the BIFR Act itself. It comes under the Finance Ministry. The Finance Minister has promised that he will come up with a revamped SICA Bill. I think this is going to come up in this Session.

**श्री एस.एस. अहलूवालिया :** सभापति महोदय, ब्रेथवेट एंड कम्पनी लि. पुनर्जीवित करने के लिए बी. आई.एफ. आर में जो रिफेंस चल रहा है मैं आपके माध्यम से मंत्री महोदय से जानना चाहूंगा कि बी. आई.एफ. आर. के पास में बहुत सारे लम्बित मामले हैं। अभी किसी और सांसद के सवाल के जवाब में मंत्री महोदय ने बड़े साफ लफ्जों में कहा कि मेरे पास कम्पनी के नाम बताए जाएं। मैं मंत्री महोदय से जानना चाहूंगा कि नाम तो हम बाद में बताएं कि क्या आप अपनी जिम्मेदारी से भाग सकते हैं, क्या आपकी अपनी जिम्मेदारी नहीं है कि बी. आई.एफ. आर में जितने लम्बित मामले हैं उनका कोई फैसला हो जाता है तो उनकी कोई मॉनिटरिंग होती

हो, कोई रिव्यू होता हो कि उनको पुनर्जीवित करने के लिए क्या उपाय लिए गए हैं और टाईम बाउंड है कि या नहीं। एस टाईम फिक्स किया जाए कि 30 डेज, 60 डेज, 90 डेज कोई फैसला हो। यह पांच-पांच साल, छः-छः साल तक कई मजदूर इस उम्मीद पर लगाए बैठे हैं कि उनका यह रोगग्रस्त यूनिट कब पुनर्जीवित होगा और तब तक उन बेचारों का देहांत हो जाता है और फैसले होने के बाद जो फाइनेंसियल पैकेज आता है जिसको सरकार भी मानती है, पर बैंक मानने के लिए तैयार नहीं होता। बैंक उस फाइनेंसियल पैकेज में कंपलाइस नहीं देता, उसके लिए कोई अंकुश है या कोई हाई पॉवर कमेटी बनाई है जो टाईम बाउंड विदिन दि फ्रेमवर्क काम करे और फैसला सुना सके कि बी. आई.एफ. आर. के फैसले के बाद तुरन्त उसको लागू किया जा सके। वैसा कुछ है और अगर हो तो इसकी कोई मीटिंग की कि कितने फैसले किए और कितने लम्बित पड़े हुए हैं आपके पास?

**SHRI MURASOLI MARAN:** There are about 245 public sector undertakings of which about 50-60 are before the BIFR. All these 245 public sector companies are not under my Ministry. They come under various other administrative Ministries also. They are taking care of those units which come under them.

**SHRIMATI RENUKA CHOUDHURY:** No, Sir. It is oversimplifying the question.

**SHRI S.S. AHLUWALIA:** Sir, this is a very irresponsible answer. Under whose guidance is the BIFR running? Is it run by the UNO or the Government of India? How can the Minister reply like this?

**SHRI MURASOLI MARAN:** The hon. Member, Shri Ahluwalia, is a senior Parliamentarian and a former Minister too. He has the experience. There are many companies which are under the control of many administrative Ministries. Anyway, a new Bill to revamp the BIFR is in the offing. A new Bill is going to come up before the Parliament.

In the meanwhile, the concerned administrative Ministries are taking effective action.

**SHRIMATI RENUKA CHOWDHURY:** No, no. If that is the case, then I wish to know... (Interruptions)

**SHRI S.S. AHLUWALIA:** Then what do you say about the Hindustan Fertiliser Corporation?

It is still lying with the BIFR. (Interruptions) Nobody is taking any interest." (Interruptions) Sir, I am talking about the BIFR. (Interruptions)

**MR. CHAIRMAN:** We have had enough discussion on this particular issue. Q. No. 123.

**SHRI GURUDAS DAS GUPTA:** Sir, we want a discussion on this. (Interruptions)

**MR. CHAIRMAN:** Then please give notice for discussion. Q. No. 123, Shri Ram Ji Lal.

### देश में खाद्य तेलों की कमी

\*123. **श्री रामजीलाल :** क्या नागरिक आपूर्ति, उपभोक्ता मामले और सार्वजनिक वितरण मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या सरकार को इस बात की जानकारी है कि देश में खाद्य तेलों की कमी है;

(ख) यदि हां, तो इसके क्या कारण हैं;

(ग) यदि नहीं, तो खाद्य तेलों का आयात किए जाने के क्या कारण हैं; और

(घ) किन-किन खाद्य तेलों का आयात किया जा रहा है, इनका किन-किन देशों में कितनी मात्रा में आयात किया जा रहा है।

**खाद्य मंत्री और नागरिक पूर्ति, उपभोक्ता मामले और सार्वजनिक वितरण मंत्री (श्री देवेन्द्र प्रसाद यादव):** (क) से (घ) एक विवरण सभा-पटल पर रखा गया है।

### विवरण

(क) और (ख) इस समय खाद्य तेलों की अनुमानित आवश्यकता तथा सभी घरेलू स्रोतों से इनकी निवल उपलब्धता के बीच लगभग 9-10 लाख मी. टन का अन्तर है।

(ग) व (घ) 1996-97 (अप्रैल-दिसम्बर) के दौरान राज्य व्यापार निगम ने सार्वजनिक वितरण प्रणाली के तहत सप्लाई करने के लिए मलेशिया/इंडोनेशिया से 295.50 करोड़ रुपए की लागत पर आर.बी.डी. पामोलीन की 1.49 लाख मी. टन मात्रा का आयात किया है। उपलब्ध सूचना के अनुसार निजी व्यापारियों द्वारा खुले सामान्य लाइसेंस के तहत खाद्य तेलों (मुख्य रूप से पामोलीन) की लगभग 9.40 लाख मी. टन मात्रा का आयात किया गया है, जिस पर लगभग 2194.46 करोड़ रुपए व्यय हुए हैं। एक विवरण-क दिया गया है, जिसमें खुले सामान्य लाइसेंस के तहत खाद्य तेलों के आयातों की मात्रा व)