

see it today, had existed in the fifties. Mr. Nehru would have put his foot down against it even more strongly. The amazing thing is that the Minister had been good enough to point out that the earlier Government opened the window and the new Government is opening the door. My question is: "Is it not a fact that there are elements in the Government which are pro-foreign and which are exerting the pressure consistently, whatever be the Government, whether the previous Government or the present Government? Will the Government stop this pressure or not?"

SHRI MURASOLI MARAN: The hon. Member said that there was a pressure exerted on the previous Government or this Government. It included the thirteen-day Government of the BJP also.

SHRI S.S. SURJEWALA: Sir, I would like to inform the hon. Minister if the foreign print media is allowed to come to the country, it will very badly jeopardise the freedom of this country. The policy to this effect was laid down by Pandit Jawaharlal Nehru and since then, the policy was consistently being pursued by all the Governments. Even the present Prime Minister has made statements several times that the Government would never allow the foreign print media to come to the country. In view of this position, I would like to know from the Minister as to what was the need to put this issue before the Cabinet for its consideration. In view of the very clear statement made by the hon. Prime Minister, I think the issue should have been closed. It should not have been brought before the Cabinet.

SHRI MURASOLI MARAN: The issue was closed. But it was reopened in 1992 for reconsideration. That is why we have to put an end to it. The present policy is not to allow the foreign print media in this country.

*509 [*The Questioners (Shri Sanjay Dalmia and Shri Ish Dutt Yadav) were absent for answer vide Col. ... infra*]

*510 [*The Questioners (Shri Surinder Kumar Singla and Dr. Shrikant Ramchandra Jichkar) were absent for answer vide Col. ... infra*]

*511 [*The Questioner (Shri Lakkhiram Agarwal) was absent for answer vide Col. ... infra*]

*512 [*The Questioner (Shri Kanaksinh Mohansinh Mangrola) was absent for answer vide Col. ... infra*]

*513 [*The Questioners (Shri Chimanbhai Haribhai Shukla and Shri Gopalsinh G. Solanki) were absent for answer vide Col. ... infra*]

MR. CHAIRMAN: Question No. 514.

Techno-economic viability study of BPMEL

*514. **SHRI DIPANKAR MUKHERJEE:** Will the Minister of INDUSTRY be pleased to state:

(a) whether M/s. S.R. Batliboi & Company was entrusted to undertake the techno-economic viability study of M/s. Bharat Process and Mechanical Engineers Limited (BPMEL);

(b) if so, whether the viability study revealed the strength and opportunities for BPMEL, viz., proven expertise and adequate experience in WT plant, successful commissioning of projects, fairly good brand image in WT plant availability of foreign technology-requiring updation and large demand growth of WTP and effluent treatment plant;

(c) whether review of operating result for 1993-94, 1994-95, 1995-96 (prov.) shows operating loss of Rs. 24 lakhs, 10 lakhs and 1 lakh, respectively; and

(d) the details of finance charge, depreciation, VRS and prior period adjustment during these years?

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

Statement

(a) Yes, Sir.

(b) Although the Consultants have identified such strength in their report, they have finally held the view after thorough and detailed techno-economic viability study that it is almost impossible to make this company commercially viable, even with huge sacrifices and additional funds from the Govt.

(c) Since the consultants have included interest accrued on Govt. loans given to

its subsidiary WIL through BPMEL as other income for BPMEL without taking into account the corresponding interest liability on BPMEL towards the Govt., the actual operating loss is following after providing for finance charges.

(Rs. in lakhs)

1993-94	1002
1994-95	1309
1995-96	1346

(d) Details are as under:

(Rs. in lakhs)

	1993-94	1994-95	1995-96
(i) Finance charges	1077.88	1298.52	1345.00
(ii) Depreciation	18.78	12.53	12.30
(iii) VRS amortisation A/C Loan A/C Grant	196.39	128.62	56.00
(iv) Prior period adjustment (Net)	213.52	2.94	—

SHRI DIPANKAR MUKHERJEE: Sir, my questions were very specific. I did not want any explanation from the Government. My question was whether this company was having the strength as enumerated in the report of the consultant. Is it 'yes' or 'no'?

SHRI MURASOLI MARAN: We have to study that subject. I will be in touch with the hon. Member regarding the progress, Sir.

SHRI DIPANKAR MUKHERJEE: I am thankful to the hon. Minister. I will definitely talk to him. What I want to stress here is, here is a company whose operating losses during the two years were Rs. one lakh and Rs. 12 lakhs. The losses coming on paper are because of the interest on the loan of Rs. 12 crores. The company is having so many strengths. And it is not denied in the earlier part of the answer. The only thing is, it has become sick and has been referred to the BIFR and is facing a closure notice from the BIFR. Why? On paper, it is shown that it is financially unviable. If such a sick company with past liabilities is not allowed to continue, none of the sick undertakings can be

viable. The question is whether it has the strength to become viable if these liabilities are withdrawn. That means loans are to be converted into equity and interests are to be waived. This is the fundamental condition to which the Government has agreed. I would like the hon. Minister to assure that the loans will be converted into equity and the past interests will be waived. Will the Minister see that it becomes a viable unit? The closure notice given right now should be kept in abeyance. The Government should appeal to the Appellate Board and this notice of closure should be kept in abeyance.

SHRI MURASOLI MARAN: The hon. Member is right. The consultant has stated, after a thorough and detailed economic viability study of this unit, we hereby observe that even with the huge sacrifices and additional funding from the Government, it is almost impossible to make this unit commercially viable". That is the opinion of the consultant. If the hon. Member feels that it can be revived, naturally, it can be further examined. There is no problem about it.

SHRI NILOTPAL BASU: Basically,

arising out of the specific condition of this particular company, would be Government like to enunciate a policy on revival of public sector units with financial restructuring as one of its cornerstones?

SHRI MURASOLI MARAN: Sir, as I have earlier said, we are evolving a master plan to restructure the sick and potentially sick public sector undertakings in Ministry of Industry. A concept paper is being prepared; and we will implement it. We will have a wider debate on the subject and we will try to implement it as soon as possible.

SHRI JAYANT KUMAR MALHOUTRA: I would like to know the name of the consultant who has given this advice and whether the hon. Minister would consider using the various IITs as advisory bodies or consultants before a decision of this kind is taken.

SHRI MURASOLI MARAN: M/s. Batliboi & Company have given the opinion. If necessary, we can have a second opinion. There is nothing wrong about it.

SHRI TRILOKI NATH CHATURVEDI: Sir, the Minister has mentioned repeatedly about framing of a Master Plan and this is a welcome idea. Sir, the complaint usually has been that the instructions given to the BIFR, to the banks, or the requests made to the other financial institutions are not heeded to with the result that the losses continue to accumulate. So, I would just like to know as part (a) of my question whether, while framing the Master Plan, he will take note of the financial restructuring and empowering of the BIFR and will also see to it that if any financial instructions have been made, they are carried out by the financial institutions.

SHRI MURASOLI MARAN: Sir, the proposed Master Plan is about the units under the Department of Heavy Industry which is under our Ministry. Like charity, the reforms also should start at home. So, we are evolving a plan and we want to create a revolving fund also for taking

care of the needs of the restructuring of public sector undertakings.

SHRI TRILOKI NATH CHATURVEDI: Thank you very much, but I thought that all the Ministries in the Government are at home so that there should not be much of a problem, but since the assurance has been given, I welcome it, and I also again refer to what Mr. Jayant Malhoutra has said. I would like to know from the hon. Minister whether, for a second opinion, for a second advice, and a much more objective advice, he will consider the suggestion of involving our own IITs in this particular process.

SHRI MURASOLI MARAN: Sir, in fact, Batliboi has given the advice recently. In 1985 one D.V. Kapoor gave a report to close it down.

SHRI TRILOKI NATH CHATURVEDI: He was a former Secretary of the Government.

SHRI MURASOLI MARAN: Yes, he had given a report.

SHRI TRILOKI NATH CHATURVEDI: Here, the point is whether you will avail of the expertise of your own high level technical institutions and involve them in the Government process so that they also feel that the Government is giving the necessary importance to them and their experience too.

SHRI MURASOLI MARAN: Sir, generally the BIFR appoints the consultants. So, naturally we will make this suggestion available to them also.

*515. [*The Questioner (Shri Bhupinder Singh Mann) was absent. For answer vide Col..... infra*]

*516. [*The Questioner (Shri Shivajirao Giridhar Patil) was absent for answer vide Col.....infra*]