

रखकर "बाइफर" में जो कंपनियां आप लें, उनकी एक ओवर-आल पिक्चर ऐसी लोगों को देखने को मिले कि निष्पक्ष ढंग से फैसला ले रहे हैं।

दूसरी बात, जो मैं आपसे अर्ज करना चाहता हूँ वह यह है कि अगर सचमुच आपको यह लगता है कि ये कंपनियां वाइबल नहीं हैं और मुझे यह मालूम है जो मर्सी फीलिंग की बात कही गयी है, यह बात बिल्कुल सही है कि जो औद्योगिक नीति इस देश में चल रही है, मैं यह बात बढ़ी ईमानदारी से आपसे कहना चाहूंगा कि इस औद्योगिक नीति को बनाने वाले कांग्रेसी तो आज आप, जनता दल सरकार, जिसमें हम लोम पार्टी के थे, उस समय अजीत सिंह जी ने एक औद्योगिक नीति रखी थी। यह ईमानदारी आपमें होनी चाहिए कि आप इसको कबूल करें। आज इस देश में एक मानसिकता का असर ज्यादा हो रहा है। पिछले कुछ वर्षों से कि जब तक यह काम नहीं होगा तब तक हमारा कल्याण नहीं होगा। आपने हवा में बात चलायी और सरकार ने जब हवा चलायी तो बात आगे बढ़ी। लेकिन उसका नतीजा यह निकला कि पूरी मानसिकता कमजोर हो गयी। इसलिये इन बुनियादी सवालों पर सोचने के लिये हम मजबूर हैं।

इसलिए मैं गुजारिश करूंगा कि सिक् युनिट्स को "बाइफर" में लेने के बारे में एक खुला दृष्टिकोण आप रखें। आप हिम्मत करें। जो भी आपको करना हो उसके बारे में फैसला करें। दो-दो साल, तीन-तीन साल, पांच-पांच साल लोगों के जीवन के साथ आप मजाक नहीं कर सकते। आपने उसका एक अल्टरनेटिव निकाला है कि हम लोगों को पैसा देंगे और कंपनी को बंद करेंगे। आपने दूसरा तरीका यह भी निकाला है कि गोल्डन हैंडशेक करके लोगों को हटा देंगे। जो भी आपने तरीका निकाला हो उसके बारे में एक स्पष्ट राय आपको तय करनी होगी तभी इसका निदान निकलेगा। यह कह देना बहुत आसान है कि अब इसका कोई इलाज नहीं है। रोग का इलाज, मैं इसलिये यह बात कह रहा हूँ कि क्योंकि वित्त मंत्री बाहर जाकर कहते हैं, रिकार्ड पर है कि जो इंडस्ट्री सिक् हो गयी हैं उनके रिवाइबल की स्थिति में हम नहीं हैं। यहां अगर मैं उनकी बात को कोट कर दूँ तो आपकी जुबान नहीं खुलेगी... (व्यवधान)..... बोलने का कोई फायदा नहीं है। जैसा कि मैंने शुरू में कहा कि जहां पूरे कुंये में भंग पड़ी हो वहां कौन होश की बात करेगा। इसलिये उपसभाध्यक्ष महोदय, मैं माननीय मंत्री जी से कहना चाहूंगा कि आज यह एक बुनियादी सवाल है और मैंने जैसा आपसे शुरू में ही कहा था कि अगर आप अपनी नीति में इन दोनों बातों, करुणा और प्रतियोगिता का ध्यान रखेंगे तो करुणा और

प्रतियोगिता साथ साथ नहीं चल सकती। अगर गरीब का ध्यान आप रखेंगे, उनके हितों के बारे में अगर आपके पास कोई नजरिया होगा तभी आप इस चीज का कोई निदान ढूँढ सकेंगे। उपसभाध्यक्ष महोदय, बहुत बहुत धन्यवाद।

## ANNOUNCEMENT RE. ARREST OF MEMBER

THE VICE-CHAIRMAN (SHRI MD. SALIM): Hon. Members: I have to inform you that the hon. Chairman has received the following Wireless Message dated the 25th August, 1994, from the Additional S.H.O., Parliament Street, New Delhi:

"Shri Jalaludin Ansari, Member of Rajya Sabha has been detained at 12.30 hours on 25th August, 1994, in Police Station Parliament Street, under section 65 of the Delhi Police Act and not yet released."

## CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

Refusal of Banks and Financial Institutions to provide working capital to Public Sector Undertakings and sick units—contd.

श्री रजनी रंजन साहू (बिहार): उपसभाध्यक्ष महोदय, इस कालिंग अटेंशन के माध्यम से सरकार का ध्यान आकृष्ट किया गया है और इस पर हमारे कई माननीय साथियों ने अपने विचार प्रस्तुत किये हैं। मैं उम्मीद करता हूँ कि यह अहम मुद्दा जो हमारे सामने है, माननीय वित्त मंत्री जी इन सारे विचारों को आत्मसात करके एक निर्णय पर पहुंचेंगे। मैं माननीय साथी श्री दिग्विजय सिंह जी की बातों से सहमत हूँ कि जो पब्लिक सेक्टर अंडरटेकिंग्स की स्थापना की गई थी, वह हमारे देश के लिए एक बहुत आवश्यकता थी परन्तु मैं यह नहीं मानता हूँ कि केवल करुणा की दृष्टि से पब्लिक सेक्टर अंडरटेकिंग्स की स्थापना की गई थी। हमारे देश में आज़ादी के बाद निजी पूंजी का अभाव था और देश में बुनियादी उद्योगों की बहुत आवश्यकता थी। उसी बुनियादी उद्योगों को लगाने के लिए पब्लिक सेक्टर अंडरटेकिंग्स ही लगाई जा सकती थी और लगाई गई

थी। धीरे-धीरे आवश्यकतानुसार पब्लिक सेक्टर अंडरटेकिंग में बढ़ोतरी हुई। इसलिए करूणा के आधार पर नहीं, हम हमेशा कंपीटीशन और एफिशियेंसी के आधार पर पब्लिक सेक्टर उद्योग लगाएँ, यह हमारे पूर्व प्रधानमंत्री पंडित जवाहरलाल नेहरू की कल्पना थी। यह उनकी देन थी और उन्होंने बड़ी सूझबूझ के साथ पब्लिक सेक्टर उद्योग की परिकल्पना की थी।

उपसभाध्यक्ष महोदय, अभी माननीय वित्त मंत्री जी ने अपने स्टेटमेंट में बी०आई०एफ०आर० की स्थापना, उसके दायित्वों की जानकारी हमें कराई है। बी०आई०एफ०आर० की स्थापना और उसके द्वारा सेंशन की गई पब्लिक सेक्टर अंडरटेकिंग जो उनके पास रिहैबिलिटेशन के लिए गये, उसकी प्रगति की ओर भी उन्होंने अपने बयान में जिक्र किया है। इस संबंध में मैं कहना चाहूंगा कि सब से पहले हमें यह देखना होगा कि जिस रुग्ण उद्योग को बी०आई०एफ०आर० के सुपुर्द किया जाता है, वह बी०आई०एफ०आर० क्या है? हम सब जानते हैं और कई बार इस बात की चर्चा हो चुकी है कि यह बी०आई०एफ०आर० खुद सिक है। इस बी०आई०एफ०आर० में कुल सात बेचेज की कल्पना की गई थी जिसमें 14 सदस्य, चेयरमैन के इलावा होने चाहिये थे। आज इतने केसेज बी०आई०एफ०आर० के पास हो गये हैं जो आंकड़ों से पता चलता है कि 1987 में 1341 केसेज रेफर हुए थे जिसमें से 885 केसेज आफ हुए। 1993 में 486 केसेज पेंडिंग हैं जिसमें 42 पब्लिक सेक्टर अंडरटेकिंग हैं। इस तरह से बी०आई०एफ०आर० का काम सुचारु रूप से चलता रहे तो एक केस का डिज़पोजल करने में भी सालों लग जाते हैं जिसका परिणाम यह होता है कि जो कम्पनी सिक होती है, वह और भी सिक होती चली जाती है। मेरा निवेदन यह है कि पहले जिस बी०आई०एफ०आर० की चर्चा की गई उसे सुदृढ़ किया जाए और उसमें जल्दी से जल्दी फैसले लिये जाएं। इसकी ओर उनका ध्यान जाना चाहिये।

सिक इंडस्ट्रीज कम्पनी एक्ट के प्राविजन्स को भी आज के कंटेक्ट में बदलना होगा। नेट वर्क क्राइटेरिया के ऊपर जोर दिया गया है उस एक्ट में, इस पर भी मैं माननीय वित्त मंत्री जी का ध्यान आकर्षित करना चाहूंगा कि सिक इंडस्ट्रीज कम्पनी एक्ट में कोई ऐसा प्रावधान नहीं है जो अरबन लैंड सीलिंग एक्ट को ओवर राइड कर सके। उद्योगपति इंडस्ट्री को सिक करके जमीन बेचकर चले जाते हैं और बी०आई०एफ०आर० को सुपुर्द कर देते हैं। पब्लिक सेक्टर अंडरटेकिंग जिसके पास

जमीन है वह उससे रियाइव किया जा सकता है। लेकिन वह ऐसा नहीं कर सकता है।

बैंकों के दायित्व के बारे में कहा गया। पिछले दिनों देखा है कि बैंकों के बारे में काफी इस सदन में और दूसरे सदन में भी चर्चा हुई। बैंकों की कुव्यवस्था, बैंकों में चल रही धांधली और जिस तरह से बैंकों के जो चेयरमैन हैं, उनका राजसी ठाठ-बाट है वह सब देखने से पता चलता है कि जिस तरह से रुग्ण उद्योगों में दिलचस्पी लेकर उन्हें ठीक करना चाहिए, उन्हें उसमें मदद करनी चाहिए वह नहीं हो पा रही है। हो सकता है कि जो सिक्वैरिटी स्कैम में घपले हुए उनकी वजह से बैंक अपने को काफी अक्षम पा रहे हों और उनका काम करने में उनकी दिलचस्पी न हो। पर इसे देखना होगा कि बैंकों के पास जो रुग्ण उद्योगों के केसेज जाते हैं उन्हें रीफाइनेंस करने की व्यवस्था की जाती है या नहीं।

एक प्रश्न के उत्तर में इसी सदन में कहा गया कि आर०बी०आई० ने कई गाइड लाइन्स दी हैं। ठीक है, आर०बी०आई० के गाइड लाइन्स हैं। उसने मानीटरिंग के सिस्टम को भी मजबूत करने के लिए कहा है। आर०बी०आई० ने रिहैबिलिटेशन पैकेज के फारमुलेशन का भी जिक्र किया है। आर०बी०आई० ने एक अलग से पैरामीटर भी दिया है जिसमें बैंकों को अधिकार है कि उस पैरामीटर में रिलीफ और रिहैबिलिटेशन किया जा सके। वित्त मंत्रालय ने इन्कम टैक्स में भी कुछ प्रावधान किया है जिसके तहत सिक इंडस्ट्रियल यूनिट को अगर हेल्थी यूनिट के साथ मर्ज करने से उसे बेनीफिट मिल सकता है। कामदारों के लिए नेशनल रिलीफ फंड की भी स्थापना की गयी है। भारत सरकार ने निर्देश भी दिया है। आर०बी०आई० ने राज्य स्तर पर इंटर इंस्टीट्यूशनल कमेटी भी बनाई है जो रिहैबिलिटेशन पैकेज को तैयार करेगी। ये सारी बातें की गयी हैं पर फिर भी ऐसा लग रहा है जैसे कि हमारे साथियों ने कहा कि लोगों की मानसिकता बनती जा रही है, और लोगों में एक यह इम्पेनशन जा रहा है कि यह सरकार पब्लिक सेक्टर अंडरटेकिंग को समाप्त करने के लिए तयार है। मैं माननीय वित्त मंत्री जी से कहना चाहूंगा कि कुछ ऐसे निष्पक्ष और ठोस कदम उठाएँ जिससे जो लोगों में यह विचारधारा फैलती जा रही है वह बंद हो .... (समय की घंटी) दो मिनट में समाप्त कर दूंगा।

मैं एक दो सुझाव देना चाहता हूँ कि अगर थोड़ी-सी दिलचस्पी ये लें तो इन बातों का निराकरण किया जा सकता है जैसे कि उद्योग विभाग कुछ बातों के लिए छोटी-छोटी रकमों की अनुशंसा करता है जिससे वे

पब्लिक सेक्टरर्स रिवाइव हो सकते हैं सिक नहीं हो सकते हैं, अगर इनमें वित्त मंत्री जी ब्यूरोक्रेटिक एप्रोच न रखकर एक राजनैतिक व्यक्ति होकर इनकी ओर दृष्टि डालें तो वे सिक नहीं होंगे। बी०आई०पी०एल० का काम भी हल्का होगा और वे रिवाइव भी हो सकती हैं अगर सिक हैं तो।

जैसे एक सीमेंट कारपोरेशन आफ इंडिया है जो दो-तीन करोड़ रुपये की आवश्यकता की वजह से सिक होने जा रही है। पता नहीं वित्त मंत्री जी के ध्यान में यह बात आई है या नहीं, लेकिन ये बातें उद्योग मंत्रालय से उनके पास गई हैं। एच०ई०सी०एल० है। यह एक बहुत बड़ा कारखाना है और पंडित जी ने कहा था कि यह नेशन का प्राइड है, आज 20 करोड़ की वजह से वह यूनिट सिक होने जा रहा है और उसके हजारों काम करने वाले लोग बेकार होने जा रहे हैं, पर वित्त मंत्री जी ने उसकी अनुशंसा पर उद्योग मंत्रालय का या एच०ई० सी० की जो अनुशंसा है या उनकी जो मांग है, उस ओर उन्होंने ध्यान नहीं दिया। हिन्दुस्तान फोटों फिल्म एक पब्लिक सेक्टर है। वह ऐसा है कि 40 करोड़ रुपया तो उन्हें दे दिया और 16 करोड़ के नहीं मिलने की वजह से वह 40 करोड़ भी डूब जाएगा। अगर 16 करोड़ उसे और मिल जाता है तो वह उद्योग अपना दूसरा यूनिट चालू करता है और वह सिक नहीं होगा। लेकिन पता नहीं वित्त मंत्री जी के ध्यान में ये बातें आई भी हैं या नहीं आई हैं।

मेरा निवेदन है कि यह टोटल, हम समझते हैं कि यह 100 करोड़ भी नहीं होगा, देने से आधे दर्जन से ज्यादा पब्लिक सेक्टर अंडरटेकिंग्स रुग्ण नहीं हो सकते हैं और उन्हें बचाया जा सकता है। जय सोप आयल आपके कलकत्ता (बंगाल) में ही है, जिसे नेशनलाइजेशन के पहले 13 करोड़ का घाटा था अब वह घाटा बढ़ता चला जा रहा है और 86 करोड़ हो गया है और थोड़ा सा उसमें अगर और ध्यान दिया जाए तो वह भी रुग्ण नहीं हो सकता है। इस तरह से कई एक ऐसे उद्योग हैं। आपने आई०डी०पी०एल० के बारे में अपने बयान में जिक्र किया है। यह एक ऐसा यूनिट है जिसमें हिन्दुस्तान में जितने कारखाने हैं एक तरफ हैं पब्लिक सेक्टर और प्राइवेट सैक्टर। दो यूनिट हमारे यहां पब्लिक सैक्टर में हिन्दुस्तान एंटीबायोटिक और हिन्दुस्तान आई०डी०पी०एल० लगाया गया था और हिन्दुस्तान एंटीबायोटिक का जो प्रोफिट मेकिंग यूनिट है, जैसाकि पेंसिलिन-जी जिसका 40 करोड़ रुपया सलाना प्रोफिट है उसकी 13 करोड़ के सलाना लोअर पर आपने दे दिया

एम०ओ०यू० कर दिया मल्टी नेशनल के साथ, लेकिन आई०डी०पी०एल० जो रुग्ण है और इसमें पेंसिलिन-जी भी बनाया जा सकता है, दूसरी दवाइयों भी बनाई जा सकती हैं, उसकी ओर आपका ध्यान नहीं गया। वित्त मंत्रालय का अंकुश मंत्रालयों पर होना चाहिए, मेरा ऐसा मानना है। वित्त मंत्रालय की एक अपनी पकड़ है और सभी की नेशनल मिलिकयत, वित्त मंत्रालय पर है। ये सभी एक नेशनल मिलिकयत जो पैसा देता है वही मालिक होता है तो नेशनल मिलिकयत इनकी है, इनका अंकुश होना चाहिए। लेकिन ये सारी बातें नहीं हो रही हैं। तो मेरा निवेदन है माननीय वित्त मंत्री जी से और कुछ सुझाव हैं, वे सुझाव 4-5 प्वाइंट हैं, मैं बता देता हूँ, अगर वह कर दें तो कोई भी पब्लिक सैक्टर अंडरटेकिंग जल्दी सिक नहीं होगा और जो सिक होगा उसका भी जल्दी से उसका निपटारा हो जाएगा।

(1) quick dispensation of cases at BIFR, (2) Professionalisation of management, (3) re-designing of MOU system (4) empowerment of boards, (5) disinvestment with the objective and to improve PSU efficiency and (6) financial restructuring measures.

ये सभी बातें हैं जो कही गई हैं अगर इन्हें माननीय वित्त मंत्री जी आत्मसात कर आब्जेक्टिवली विचार करें तो मैं समझता हूँ कि पब्लिक सैक्टर अंडरटेकिंग्स में जो रुग्णता आ गई है और जो रुग्ण हो सकती है, उन सब का निपटारा जल्दी से जल्दी हो सकता है।

इन शब्दों के साथ, मैं आपका आभार मानता हूँ कि अपने मुझे समय दिया। धन्यवाद।

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu): Mr. Vice-Chairman, Sir, I thank you for giving me this opportunity to speak on the Calling Attention motion regarding refusal of the banks and financial institutions to provide funds for the working capital and development programme of a number of public sector undertakings as well as for the revival of sick units cleared by BIFR. Before 1969, banks were actually in the hands of the private people. In those times, the industries owned by the directors of the banks were getting loans from the banks. To set right these things, to serve the larger social purpose, to give legitimate credit needs to the industry and trade,

big and small, to help the productive sector, particularly, the farmers, self-employed professionals, progressive entrepreneurs the then Prime Minister, Shrimati Indira Gandhi decided to nationalise the banks. After that, for nearly 20 years we have believed in socialism as well as the nation's well-being. After 1990, the policy of the Government of India has changed. They have changed from socialism to capitalism. Now, the suffering which we are confronting in the industrial sector is not an isolated one. We have to see this issue in totality. It doesn't mean that banks are running in losses. When we go to the industry, we have to go through the banking industry itself. After nationalisation, the bank rate of interest was 9 per cent. Its interest income was Rs. 2,380 crores. That was the net interest. The interest expenditure was Rs. 650 crores. Later on, the interest rate was increased to 13 per cent. The larger banks' interest was Rs. 3,485 crores. The interest expenditure was Rs. 2,506 crores leaving Rs. 950 crores as interest. Actually, we can say that it was the net income. That means, banks are running in profit. In spite of that, banks are reluctant to help the industries, particularly, the public sector units. One hon. Member from the Treasury Benches was saying, "There are some industries that we cannot revive, even if banks come forward to help." I do not know whether it is a fact or not. What is the reason for sickness? We have to find out that first. Is it due to management inefficiency? I do not say that it is due to management inefficiency. The maximum percentage of that can be attributed to corruption at the highest level. The offsprings of the higher officials, after their education, have joined public sector units. If the Government is prepared to go through the list, then, they will find how the higher officials are working in the public sector units. In the Purchase Department where they invite tenders, some manipulations are going on. Why were the officials told to inflate bills?

Unfortunately, industries became sick, this is one reason. To avoid this, what is the possibility? I think there are two possibilities. One is workers' participation in the management is essential. They are demanding it for the last three decades. If this policy had been accepted and implemented, then, things would not have come to this stage. They know very well where wrong things are being done. They can easily find it out. If an article costs Rs. 100 and the management purchases it for Rs. 140, the management will pocket Rs. 40. Then workers can easily find it out but not the auditors. They can find out how much the management has spent. That is one reason.

The second is, if it is converted into a workers' cooperative, I do not see any reason why it cannot be revived. If it is left to the workers, then, they would take it over and see to it that it runs on a profit.

The Government says that there is no retrenchment. There may not be any direct retrenchment. If you go through the last year's Budget, you will come to know as to what the Voluntary Retirement Scheme is. This Scheme is nothing but seduction. They want to seduce. Through this Scheme, sometimes, the higher officials are giving oral instructions to their subordinates to see to it that such and such employees are sent out. For example, in the export inspection agencies, the people were threatened if they do not submit their applications for voluntary retirement, they would be retrenched forcibly. So, out of 1,850 workers, 850 workers have submitted their applications. But, the Members from the Treasury Benches said that there is no such retrenchment. Madam, retrenchment is taking place in the name of the Voluntary Retirement Scheme. That is what is happening. Even the profit-making industries are converted into the loss-making industries due to the policy of the Government of India. For example, at Trichi in Tamil Nadu, there

is one Ponmalai workshop. Previously, there were 10,000 workers in that workshop. Now, their number has been reduced to 4,000. Sir, the workers say that what they can manufacture at a much cheaper price in the workshop itself, the same item is being handed over to the contractors on contract basis. The management is not prepared to manufacture that item through the agency of workers. But they are prepared to give it to the contractors. What does this mean? This means that it would lead to retrenchment of workers. It will cost them their jobs. So, you can imagine how the anti-labour-policy is being pursued by the management. As a matter of fact, the workshop is not sick because of any labour or technological problem. But it is sick because of the attitude of the management. In the wagon building workshop previously, 4,350 hours used to be given for the construction of one wagon. Then, these hours were reduced to 4,048 hours. Now, it has been reduced to 3,350 hours per wagon. That means, for one wagon building, the incentive hours have been reduced by 1,000 hours. What does this show? The officers who are sitting there, in order to get a pat from their bosses sitting at Delhi, are doing all this. They have tried their best to put maximum burden on the shoulders of the workers by reducing the number of incentive hours for building a wagon. If it continues in such a way, the labourers will suffer a lot. In fact, these officers have fixed some amount. In order to reduce that amount, they are doing all this. At the cost of the workers, they want to increase the profit. What type of policy is the Government of India adopting? It seems to be ridiculous. I have given two examples. The first being in respect of the export inspection agencies and the second in respect of Ponmalai Workshop.

Then, even in respect of Telecom Department, the monitoring agencies are not given proper treatment. There are sub-divisional engineers in the department. If there is a chance for the

16,000 engineers to be promoted, only 2,000 engineers are given promotions and at least, 1,000 posts go to the direct recruits. As a result, there is a lot of stagnation in the department. When these people remain on the same post for twenty years, do you think such people will have any interest in their work? What will be the ultimate result? The result will be, they will get dejected. There won't be any sense of involvement left in them. This leads to inefficiency.

Then, in the textiles industry there are snags. In the Government sell the land of the sick industries at the market price as they sell the shares of the State Bank of India, then they will get a lot of money. That money can be utilised for the purpose of revitalisation, rehabilitation of the sick industries. But, this is not being done. The private people are entering into this field. They keep an eye on a sick unit and once it is closed down and the workers start suffering, they come into picture and purchase the same by way of loans advanced by banks by convincing the bank officials. These private people buy the sick industries. After buying them, since such industries are located in the metropolitan areas, they sell the land at a higher price and earn a lot of money. After they are successful in doing so, they leave the workers in the lurch and go away for all times to come. This is what is happening. What alternative is the Government of India having? It is happening in Madras.

In Tamil Nadu it is happening. What does it show? The banks should extend help to the companies. The BIFR is there. Thirty-six cases are pending before the BIFR. We have heard it from the Government of India, from the mouth of the Prime Minister, that there is a mismatch between the capacity of the BIFR and the workload put on their shoulders. They agreed to it that there was a mismatch. The Prime Minister admitted it. What alterations have they made in the administration of the BIFR? Do you think that the ordinary workers,

who are working from dawn to dusk to earn their livelihood, can come all the way from Cape Comerin to Delhi to present their grievances? Is it possible? No. When two or three people come and give alternate suggestions the officials say they cannot be implemented. Then what is to be done? The banks should have a human approach. The banks should not rely on the bureaucrats. The banks should not rely on the private capitalists. The banks should talk to the leaders of the trade unions. The banks should talk to the labourers themselves. The labourers and the trade union leaders can give the real picture of an industry. They can only give the picture, they can only say how you can revive the industry. If the banks go on talking to the bureaucrats, having dialogue only with the bureaucrats, nothing will happen. If they ask the engineers they can find out the real cause for the sickness. The banks should talk to them. They should not succumb to the decisions taken by the World Bank and the IMF.

Therefore, the total economic policy has to be revamped. For revamping the system of financial institutions, the system of banking institutions, our Finance Minister should have a different outlook. First we thought a leftist has become our Finance Minister. Then, we thought a centrist has become our Finance Minister. But, unfortunately, we find him converted into a rightist. He is a very good gentleman, a very good lawyer. Unfortunately, he is advocating a bad practice. That is the only problem which we are confronting. At least we want a revival of the Finance Minister himself. We want him to be a gentleman, which he was when he was with the Asian Development Bank. If he becomes the same gentleman, I hope the labourers of India will get their legitimate benefits.

Before I conclude, I want to mention what Rajiv Gandhi said regarding losses. When he was the Finance Minister, while replying to the arguments put forth by the Members in this august House, he

said, "We should not go into the losses and profits of the public sector units because public sector units have got some social obligations. We should look at it from a different plane." This is what Rajiv Gandhi told us. The present Members of the Treasury Benches have forgotten what Rajiv Gandhi has said. I want to remind them of that. With these words, I conclude.

THE VICE-CHAIRMAN (SHRI M.D. SALIM) : Shrimati Urmilaben Chimanbhai Patel. You want to put some questions, isn't it? (*interruptions*)...Mr. Narayanasamy, you have already spoken. Why don't you listen to others? (*Interruptions*)...

SHRIMATI URMILABEN CHIMANBHAI PATEL (Gujarat): Sir, I will put only some questions. You know that, nowadays, plastic is used by the common man. The raw material used in the production of plastic is polymer. Its price has gone up in the last three months. It has increased by 40%. Small-scale industries are mainly dealing with the production of plastic. Due to the hike in the price these industries are on the verge of dying. It will damage the industry. It will affect the users. The Chellia Committee and the Rakesh Mohan Committee had recommended 25% to 30% reduction.

THE VICE-CHAIRMAN (SHRI M.D. SALIM) : You have made your point.

SHRIMATI URMILABEN CHIMANBHAI PATEL: I hope the Finance Minister will look into this matter. Another problem is concerning the fishermen of Porbandar.

SHRI VICE-CHAIRMAN (SHRI M.D. SALIM): We are discussing about financing the sick industries. You can say about the problem of fishermen on another occasion.

SHRIMATI URMILABEN CHIMANBHAI PATEL: Only one minute, Sir. The poor fishermen are earning their livelihood by fishing.

Sir, due to liberalisation big industries and private companies are coming forward. In that competition the poor people will lose their bread and butter. I think these people should be given special protection. I would request the Minister to solve the problem of compensation to the Yamuna Mills. They have been given only one instalment. They are still waiting for the second instalment. Sir, this is a very crucial problem. I hope the Finance Minister would consider all my demands sympathetically. Thank you.

DR. NAUNIHAL SINGH (Uttar Pradesh): Sir, Vice-Chairman, Sir, we are talking about the economic organisations but not the charity organisations. When we talk about the economic organisations, we normally think of various factors of production such as men, money, machines, material and land. To the best of my knowledge and belief, I think, and I am sure, that the public sector undertakings were established for the good of the people and the State. The public exchequer had taken the responsibility of financing these PSUs. But, it appears that they were not saddled with the responsibility and accountability of running them effectively and efficiently to achieve optimum production and productivity levels by employing the various factors of production provided by the State. This point is proved by the fact that the two important elements, i.e. entrepreneurship and professional management, were altogether missing from the very beginning. The PUs were like blue-eyed boys and girls of the Government and they were well protected by financial backing even if they faltered due to lack of effective and efficient utilisation of various factors of productions.

Secondly, the most important missing link from the very beginning was that no professional managers, both at the top level and at the middle level, were appointed by the Government. You will find to your surprise that in most of the PSUs the Chairmen and Managing

Directors were IAS officers who never learnt the principles and practices of management. Hence, the sickness of a large number of PSUs was a natural resultant factor. And we lost very precious and scarce resources of the nation which is already listed as one of the 10 poorest countries of the world.

I suggest that in future the Government should consider professional managers to be posted as Chairmen, Managing Directors and middle level Managers because Indian can no longer afford to lose the precious scarce resources, because enough is enough. Thank you.

[The Vice-Chairman (Shri Satish Agarwal) in the Chair]

SHRI MANMOHAN SINGH: Mr. Vice-Chairman, Sir, I am glad that I have this opportunity to explain once again the Government's approach to the public sector even though the Calling Attention Notice related strictly to the provision of bank credit for sick enterprises. Since some hon. Members have used this occasion to mount an attack on the overall approach of the Government to the public sector, I, therefore, crave your indulgence to say a few words about our basic approach. Sir, the public sector was set up in our country and the writings of Panditji on numerous occasions have given expression to this to kill two birds with one stone. When Panditji talked of giving the commanding heights of the economy to the public sector, he had a vision that since in any society profits are the most important source of accumulation and that is true of a capitalist society and that is true of a socialist society Panditji's vision was that by socialising these profits in the hands of the public sector, we will do two things. First of all, out of these profits, wasteful consumption of the capitalist class will be eliminated. Bulk of these profits will be ploughed back into further expansion, further investment and thereby there will be an accelerated investment and growth in our economy. The second part of his

vision was that profits being a most important source of accumulation and investment in any dynamic economy, they could become a source of accentuating inequalities in income and wealth. Therefore, Panditji thought that if these profits were socialised in a process through the public sector over a period of time, there would be progressive reduction in the inequalities of income and wealth. That is what he meant by sustained growth in the framework of equity. The basic assumption, therefore, is that if the public sector has to perform the allotted role, it must, if not initially but over a period of time, be a profit-making public sector unit. There are, in our country, public sector units which have done well and it is the policy of our Government to give all possible support to those public sector units which are doing well. Therefore, there should be no doubt in anybody's mind about our Government's commitment to provide all possible facilities for those public sector enterprises which are doing well, which are earning profits and that they will be given every possible opportunity to expand.

Now I come to those enterprises which are not doing well and which have become sick. There also, our approach is that where ever these enterprises can be restructured, can be made viable at a reasonable cost, we will do all that is in our power to provide resources out of the Budget and also ask the financial institutions, as part of restructuring, to make their due contribution. The difference arises where some people say that a unit is viable but it requires a thousand crores. Now the question that this nation has to ask is whether those thousand crores, if they were deployed elsewhere, would lead to create a larger amount of employment. Therefore, the question of viability or non-viability is not a simple question. It requires examination. If we are not worried about the cost of restructuring, if we are not worried about the alternative uses of the resources, if we are not worried about

the fact that the same resources, which are asked to be put into a public sector unit, can be put to enlarge the resources of primary education primary health care and if we are not worried about the fact that the same resources can be put to enlarge the pool of resources available for anti-poverty programmes, it is all right. But these are the choices which must be evaluated by any Government before it decides whether these funds will make a sick enterprise viable or not and these are difficult questions. We wanted these questions to be depoliticised; we did not want them to be the subject matter of a controversy. That is why the B.I.F.R. was created which is an expert body and a non-political body. Until two years ago, only the private sector units were referred to the B.I.F.R. when they became chronically sick. But when our Government came into power, we felt, 'let us enlarge the mandate of the B.I.F.R. so that it will be able to look into the chronically sick public sector units. The broad approach of the Government toward the sick public sector units is that wherever these units can be made viable, wherever these units can be restructured at a reasonable cost, we will do all that is possible to ensure that that restructuring is undertaken and whatever resources are.....(Interruptions)....

SHRI PRAKASH YASHWANT AMBEDKAR (Nominated): Many public sector units have been referred to the B.I.F.R. has referred them back to the Government as to the position of what the Government is going to do. And, if my information is not wrong, whether they want to start or not, the Government has not replied. I would like to know how long you are going to take to reply to that.

SHRI MANMOHAN SINGH: Sir, I was coming to that. I was stating the broad approach of our Government and I made two points that there should be no doubt in our Government's commitment to give all possible facilities to those public sector units which are doing well.



Secondly, as far as the sick enterprises are concerned, those which can be made viable through restructuring operations at a reasonable cost, we will restructure them, we will provide them all the needed resources. But before this thing can be completed, we would like a non-political expert body, a semi-judicial body like the BIFR to appraise their prospects because the question of viability and non-viability is not a simple question. One has to weigh the pros and cons. Viability at what cost? What are the alternative uses of the resources which are going to be put into that particular enterprise? So, Sir, this is the approach of the Government to the public sector in general.

I strongly repudiate the suggestion that our Government's policy is to downgrade the importance of the public sector. I go first to that part of the public sector which has to be supported by the budget. And, here I am referring to the investment, the Plan portion, the budgetary support from the Government. In 1993-94, it was Rs. 7,968 crores. In the budget for 1994-95, this support has been increased to Rs. 8,553 crores. Sir, these facts themselves should convince the hon. Members that there is no attempt to downgrade the importance of the public sector in our development plans and in our overall approach to the management of the economy.

With regard to the banking sector, Sir, the suggestion that we have in some ways instructed the banking system and the financial institutions to give step-motherly treatment to the public sector units. I respectfully submit, Sir, it has no basis. In fact, I have figures supplied to me by the State Bank of India which I understand, accounts for nearly 80% of the money that is made available from the banking system for financing the public sector units. The figures that I have with me show that in a period of about 15 months ending 31st July, 1994, additional limits to the extent of Rs. 5500 crores have been sanctioned for the

public sector units. Similarly, I have figures with regard to the IDBI's assistance to public sector units. Since our Government came to office, in 1992-93, the sanctions were Rs. 1,003.38 crores; the disbursements Rs. 770.22 crores. In 1993-94, the sanction jumped from Rs. 1,003 crores to Rs. 2,566 crores and the disbursements jumped from Rs. 770.22 crores to Rs. 1,208 crores.

So, I am giving these figures merely, Sir, to disapprove the preposition that we are giving a step-motherly treatment to the public sector either by way of budgetary support to viable Plan projects or by way of bank assistance for the public sector units. Sir, there is no doubt, that those public sector units which are loss making units do face uncertainty, because as I said, the issue is whether this country year after year can sustain these losses. I submit to you, Sir, that whatever other options may be, this country's financial position is not such that it can sustain year after year increasing losses on the part of the public sector enterprises. And I would also like to submit that that was not the vision of Panditji himself. Panditji wanted public enterprises to be a source of strength—that over a period of time these enterprises should stand on their own feet, should provide resources to the Budget, so that we can deal with the chronic problem of poverty, of providing increased resources for health, for education, for environmental degradation, because those are the things which market forces cannot take care of. But, if the public sector itself becomes a drag on the Budget, to that extent it ties down, it reduces our options to spend more money on meeting the more basic human needs of our people.

Sir, all over the world, there is today discussion of the UNDP's Human Development Report. Now, there are many things in which one can differ about the indicators of human development. But, it is a fact that the

indicators, if you take indicators like life expectancy at birth, if take the indicators like infant mortality rate, if you take indicators like the literacy rate in our country after 45 years of Independence, we score very poorly on these indicators compared to many other countries. How are we going to meet those essential tasks? How long can we postpone universalisation of elementary education? How can we live the intolerable situation that 45 years after Independence infant mortality rate should be as high as 90 per thousand? If we have to come out of this mess we need to divert resources, we need to divert...*(Interruptions)*...we need resources and these resources cannot come out of Heaven. Money does not grow on trees. Today we get these resources...

SHRI DIPANKAR MUKHERJEE: It is not relevant. ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): Let him conclude his reply. I will give you a chance and have further clarifications. Please take your seat.

SHRI MANMOHAN SINGH: I was saying, Sir, that therefore, I don't feel guilty if I say that I am not going to provide increasing amounts of money to sustain the loss of the public sector units. That I have stated on a number of occasions and whether you call me rightist, leftist or centrist, I don't feel ashamed. ...*(Interruptions)*...

I want the public sector to stand on its own feet. We will give it all possible assistance, but if you expect me that socialism in this country means that this country's resources ought to be given year after year to finance the losses of the public sector, that sort of socialism will not contribute either to growth or to equity or to income and wealth distribution. Therefore, I don't feel that I am guilty of doing anything wrong on this.

The second thing that I do want to say is ...*(Interruptions)*... Let me now

complete. It is certainly true, Sir, that is these cases of the sick public sector units which were referred to the BIFR in the initial stages, there have been delays. I myself have in the last few months discussed this matter with the BIFR.

Sir, the speed of disposal in the last few years has certainly improved. I do recognise that there is further scope for improvement but I have an assurance from the BIFR authorities and its Chairman that hereafter there would be much quicker, much faster disposal of cases. Now, the question has been raised: what is the purpose of this group that has been set up under my chairmanship to look into the sick cases in the public sector units which have been referred to the BIFR? Sir, this Group was set up in April this year and I would like to say that our approach is not that every sick PSU which is before the BIFR has to be closed down. For example, and this is a case which is very dear to the heart of Shri Gurudas Das Gupta because he is arguing the need to revive this unit for a long time, in regard to the Smith Stanistreet Pharmaceuticals, our Group has agreed that this unit must be revived and, therefore, the Government will go to the BIFR with the revival package of the type which was discussed by us and also in the Tripartite Committee. Similarly, in the case of Bengal Chemicals and Pharmaceuticals Limited, we have agreed that this is a case which has the potential of viability and whatever resources are needed for its restructuring and revival, we will revive it. Some two weeks ago we discussed the case of the MAMC. We have referred this case to a Committee of Secretaries to come back in a period of two weeks to work out to the various options that are open to our Group for consideration. So, I do want to assure the hon. Members that the fact that all these cases are being referred to the BIFR does not mean that all these cases will necessarily lead to closure. I also want to assure that we greatly value the advice of the Tripartite Committee. But the Tripartite Committee

having done its work, there are conditions which have to be met to make the whole package viable. Because, even the Tripartite Committee says that the Government, out of its budget, must give additional resources. On many occasions it says that past loans should be written off. In many cases, the Tripartite Committee says the financial institutions should make sacrifices. In all these matters, it is necessary to look into the totality of circumstances. Our banks and our financial institutions are also public sector institutions, as one honourable Member pointed out when he was speaking, we cannot be oblivious to get our banking sector viable. We started with a situation where we had 38,000 crores worth non-performing assets. Many of our public sector banks are today loss making entities. In the last year's budget, I provided 5,700 crores of rupees by way of capitalisation. In this year's budget, I have provided 5,000 crores of rupees for re-capitalisation because of the mounting non-performing assets of the banking system. There will be further need for...

**SHRI S. JAIPAL REDDY:** Mr. Vice-Chairman, Sir, the Finance Minister was good enough to refer to the point you made. The banking sector's non-performing asset is of the order of 38,000 crores of rupees. True. But, will the Finance Minister clarify as to whether these assets belong to the private sector or to the public sector? May I bring to your notice that most of them belong to the private sector?

**SHRI MANMOHAN SINGH:** Sir, this is past history. I do not have the figures of whom they belong to but, surely, we cannot add to these and, therefore, in asking the public sector banks and financial institutions to provide additional resources for non-viable public sector units, I do not think you are increasing the sum total of social welfare.

**SHRI DEPANKAR MUKHERJEE:** Then what for is the BIFR. I can tell you on the floor of the House that there are

some unviable units. It is for the BIFR to decide if the case is referred to it. How can he say that the unit is unviable? He is prejudging the decision of BIFR.

*(Interruptions)*

**SHRI MANMOHAN SINGH:** I had said that till the case goes before the BIFR, it is for the banks to decide. I have said that in my original statement. I am not going to give instructions to the banks, a blanket instruction, that regardless of the fact how bad a case may be ...*(Interruptions)*... I am going to repeat. I am not going to give any instruction to our banks that simply because a case has been referred to the BIFR that they should continue to finance the unlimited losses, unlimited deficit of a unit, simply because it is a public sector unit. All that our Government is committed to is that we will ensure that in this process the workers do not suffer, that there will be no retrenchment, if still a decision is made by the BIFR that these loss-making units need the money for keeping the work-force intact, we will find resources to ensure that workers' interests are protected. But I cannot give an assurance that if a public sector unit, ...*(Interruptions)*...

**SHRI JAGESH DESAI:** For how many years ...*(Interruptions)*...

**SHRI GURUDAS DAS GUPTA:** I understand the predicament of the hon. Finance Minister. But my point is that a unit is being sent to the BIFR to examine the degree of its liability, that the BIFR is going to pronounce the judgement whether that unit can be made viable or to be closed down. I understand it. But till the BIFR is able to take a decision on that, if that unit is not kept well, it only adds to its wage payments, then the revival possibility of the unit will become more remote. That is the most important question. I do not mind if Government does not change its policy. It is for them to decide. But till the issue is decided at the appropriate level, if the supply of oxygen is withdrawn, then the patient will

die, even if you get a good berth in the ICU of a very good hospital of the country. Intensive care treatment will not yield any result if in the transitory period the supply of oxygen is withdrawn. That is the persistent question that we have been asking of the Hon. Minister. Let him kindly say. The second question is: Thousands of workers are not getting wages over months in West Bengal. How are these starving workers being protected by him when the cases had not been resolved by the BIFR?

**SHRI MANMOHAN SINGH:** With regard to the wages, I have made the position clear. It is the general policy of our Government not to retrench. If there are any units which have difficulties with regard to the payment of the wages, if any specific cases are brought to my notice, I shall have them looked into. But on this other point of asking the banks to continue to support these units to an unlimited degree, I am not able to support these units to an unlimited degree, I am not able to endorse that point of view and I would like to read for record a statement on this point so that there should be no confusion about the Government's policy. Sir, I would like to assure the hon. Members that the Government is fully mindful of the need to ensure that the public sector enterprises are adequately funded by banks and financial institutions. We are also committed to ensure that sick public sector units which are potentially viable are rehabilitated through the BIFR process. However, I would request the hon. Members to recognise that support to public sector units from the banks is justified only on the basis of normal considerations of commercial viability and subject to prudential norms, the resources of the banks are ultimately the resources of the depositors. Millions and millions of small savers put money into our banks and it is the duty of the banks to ensure that these resources are deployed to support viable operations, where their bank loan can be serviced and interest paid. Unless this is done, the banks

cannot ensure the safety of the depositors, funds and they cannot ensure payment of an adequate interest rate to the millions and millions of depositors who rely upon the banks to provide a good return on their savings.

Sickness in public sector units is undoubtedly a problem, but the message must go to all public sector units that sickness and non-performance cannot be made by open-ended reliance on funds from public sector banks beyond commercially justified limits. That is the surest way of perpetuating non-performance in the public sector, and extending it also to the banking system. As far as the banks are concerned, they must be equally vigilant about credit-worthiness of public sector unit borrowers as also the private sector borrowers. This is essential for good banking, this is essential for good governance, good economic management, this is the broad approach of our Government.

**THE VICE-CHAIRMAN (SHRI SATISH AGARWAL):** Shri Jibon Roy.

**SHRI JIBON ROY:** Mr. Vice-Chairman, Sir, I have got one query and one complaint. I hope the hon. Minister will clarify that.

First of all, with the points made out by the Finance Minister, we do not agree. I do not agree. His entire public sector policy is to make the existing profitable factory sick, and to sell out the sick factory. Sir, the working class is for a national consensus over the matter. And I agree that the Tripartite Committees could not make that much advance. The main cause behind that is, first the policy is formulated, and then it is imposed over the Tripartite Committee to execute it. I wish to know from the hon. Minister whether he or his Ministry will try to evolve a national consensus, will call a round-table conference to evolve the entire policy. Labour is ready to sacrifice, to go to any extent for the sake of public sector. This is one question. Is he ready for a national consensus over the matter

and for a round-table conference to go into the details of the problem? Secondly, my complaint is that the Finance Ministry, because of its reluctance to release more funds for the public sector, is standing in the way of amending the Bonus Act which has been formulated in 1980. As far as I know, the Labour Ministry has formulated a policy, raising the entitlement limit and the bonus payment limit. The Finance Ministry is standing in the way on the plea of finance cut. And there will be a serious labour unrest this year. Is it a fact? The Finance Ministry may not reply. I hope the Finance Ministry will consider this aspect. These are the two queries that I have.

**SHRI DIPANKAR MUKHERJEE:** Sir, I brought in this Call Attention Motion for a specific purpose because the Finance Minister has talked on a macro level which I could not understand. My question number one is: who is heading this Government? Is it not the hon. Prime Minister? This is what I have to ask so far as the special Tripartite Committee is concerned. He has passed certain reflection on the special Tripartite Committee. Again, I would read out, if you permit me, Sir, from what the hon. Prime Minister has said. He said, "A special Tripartite Committee under the Ministry of Labour is already looking into the problems of sick PSUs in each sector and trying to find solutions. If these are agreed to in the Tripartite Committees, the BIFR will then only be required to accord formal approval to rehabilitation plans." This is an assurance, so far as we are concerned, from the hon. Prime Minister. But the whole thing has been diluted by what the Minister said right now. What type of recommendation has the Tripartite Committee given? Now, he is giving his comments. This is against whatever the hon. Prime Minister has said. This is number one. Secondly, Sir, I do not want any sermons on asset norms and all that. It has been referred to BIFR as per SICA. Now, so long as it is under BIFR, it is sick. To expect that sick organisation to have that commercial

viability to attract money from the banks is also an illusion. We do not have such an illusion. It is sick. That is why it has been referred to BIFR. Had it been commercially viable, it would not have been referred to BIFR. My question is simply dealing with 'holding on' operations. That word he has not been using. What exactly is his policy so far as the question of 'holding-on' operations is concerned? When the units have been referred to BIFR, during the process which is two years or three years, we have no grudge against the BIFR.....

**THE VICE-CHAIRMAN: (SHRI SATISH AGARWAL):** Do not dilate upon it more. After all, he understands what is 'holding on'. He has used this expression in the statement itself.

**SHRI DIPANKAR MUKHERJEE:** What is the definition of 'holding on'? the financial responsibility is that of the promoter, i.e. the Government of India. Number 3,...

**THE VICE-CHAIRMAN (SHRI SATISH AGARWAL):** How many numbers are there more?

**SHRI DIPANKAR MUKHERJEE:** Only four.

**THE VICE-CHAIRMAN (SHRI SATISH AGARWAL):** You were the person who had raised the Calling-Attention. That is why I am giving you this special privilege.

**SHRI DIPANKAR MUKHERJEE:** So far as discriminatory treatment is concerned, you can kindly check up with the financial institutions and banks whether concessional rates of interest applicable to sick industries had been given by the banks in relation to the B.I.F.R. hearings. Take the case of Bharat Brake Valves. I am just giving one instance. I would like to know whether it was given to them. This is discriminatory treatment No. 1. Discriminatory treatment No.

**THE VICE-CHAIRMAN (SHRI SATISH AGARWAL):** Four.

**SHRI DIPANKAR MUKHERJEE:** No. 2, Sir. This is by the United Commercial Bank. They did not finance the Tyre Corporation of India because it was sick. They had liquidity crunch. But on the other hand, they financed the Birla Tyres.

**DR. BIPLAB DASGUPTA:** The name itself is attractive.

**SHRI DIPANKAR MUKHERJEE:** He had asked about social development. I would like to put one question. When you are closing down a factory—he referred to the Special Tripartite Committee—are you calculating the replacement cost because the product of a unit has got a market? Are you calculating the replacement cost or the social opportunity cost for creating equivalent employment? Has this exercise been done? It is done in the capitalist countries. Is that being done here?

**DR. BIPLAB DASGUPTA:** Mr. Vice-Chairman, Sir, may I ask a very simple question of the hon. Finance Minister? This relates to the earlier part of his reply where he talked about the general approach of the Government towards the public sector units. I would ask this question. Does he mean that each and every public sector unit should be profitable at all times? Or, would you make a distinction? For instance, profitability or viability in the short run and profitability and viability in the long run. Take, for example, the power sector. It requires a certain investment over a period of time before it could be developed and becomes viable in the rural areas. Would you say that just because it is not profitable in the rural areas, it should be cut off? Similarly, in the case of transport. Similarly, in the case of banks.

Sir, the Narasimham Committee's proposal is that unprofitable branches should be pruned. These branches are mainly located in the backward areas. The hon. Minister mentioned about the social indicators; education, human

resource development and all that. Would he not take into account the question of regional inequalities and backwardness of certain areas? You cannot take care of that if these branches are to be closed down before they become viable, in the long run. The question is: Are you making a distinction between the short run and the long run?

There is also the question of profitability of a particular project or a particular activity as against profitability for the society as a whole. Should you not take into account the social benefits rather than the benefits or cost which are attributed to a particular unit?

**SHRI GURUDAS DAS GUPTA:** Mr. Vice-Chairman, Sir, I do not go into the political aspect of the statement because, after all, we are addressing the issue to the Minister of Finance and not to the political Minister of the country. In regard to the political aspect, we will address our questions to the Prime Minister.

At the outset, let me make it very clear that we are for profitability of the public sector. We are against all forms of wastage. We are against it. We, the trade unions want profitability to pick up in the public sector. We want mismanagement to go. We want corruption to go. I say this because there has been a hint in the speech of the hon. Finance Minister as if we are for protecting the non-performing and non-viable units. No. I am not going into that. I am not going into the question as to who made them non-profitable. I am not going into the question as to whom the non-performance should be attributed. I do not go into that. As I said, we are for profitability and work culture.

Now, Sir, the main question is this. You ask the B.I.F.R. to take a view on the question of reforms and viability. But before the B.I.F.R. is able to give a judgement, if the funds are withheld, it is no use referring the matter to the B.I.F.R. It becomes absolutely

impossible for revival to take place. Therefore, my point is, till the issue is finally decided, some arrangement must be made to ensure that if the B.I.F.R. decides that it is a profitable unit, there is some scope for revival. If you withdraw the funds, reviving of the unit becomes impossible in terms of investment of funds. Therefore, the hon. Minister cannot avoid this question by saying that he will not issue any instructions. Then how is this question to be solved? I have raised very specific questions, which the hon. Minister has avoided.

There are specific cases where a profitable unit like the Cement Corporation has been denied Rs. 25 crores for setting up a power-generating unit. But I am not speaking about loss-making units. In the case of profit-making units, Government had not been generous and had been withholding funds. Therefore, my specific question is with regard to the profit-making sector. Why does the Minister appear to be in a mood which does not help the units to grow?

Then, about the NTC, the Tripartite Committee has decided on a revival programme, which is awaiting the Cabinet's approval. But, before the revival schemes can start getting implemented, why are funds being withdrawn? It is a part of the whole procedure that you have set up.

Lastly, I would like to tell the hon. Minister that there are a large number of public sector units which are making profits. Will the Government consider setting up a fund out of the surplus generated by the profit-making units, to be invested on a reasonable return, for financing those units which the B.I.F.R. has declared to be profitable?

DR. NAUNIHAL SINGH: Sir, my point has not been replied to by the Minister.

THE VICE-CHAIRMAN: (SHRI SATISH AGARWAL): I can't ask the Finance Minister to reply to each and

every point raised by each and every Member.

DR. NAUNIHAL SINGH: It is about mismanagement. Who mismanaged the public sector undertakings? Who is responsible for the mismanagement?

THE VICE-CHAIRMAN: (SHRI SATISH AGARWAL): Don't you know?

DR. NAUNIHAL SINGH: I want an assurance from the Finance Minister that he will now allow them to be mismanaged and no funds will be given if they are mismanaged. Who is responsible for this mismanagement? That is my question.

SHRI JAGESH DESAI: I am sorry, Sir, I was not present throughout the reply of the Finance Minister.

THE VICE-CHAIRMAN: (SHRI SATISH AGARWAL): But be brief, Mr. Desai. We have a lot of business to do.

SHRI JAGESH DESAI: But I have listened very attentively to the last part of his reply. Now I have my own fears that the banks will not give the funds and they will be very reluctant to take any risk. During the period when it is referred to B.I.F.R. and the decision is taken, the banks will not take any risk and will not give any funds. That way, I think, the message will go to them. So I would like to know from the Minister what the alternative now is. I have suggested two alternatives and I do not know whether the Minister referred to them or not. One is, through disinvestment some funds should be earmarked for giving to those for whom the nodal Ministry is liable, till a final decision is taken by the B.I.F.R. If they think that they cannot be revived, close them; we have no objection. Secondly, wherever such units are there, some of them have surplus land. I would like the hon. Minister to take it up with the Cabinet that wherever such land is there, they should be allowed to sell the surplus land and with the amount thus got they should try to modernize and

upgrade their units. Now I am very much afraid that the banks will not give funds to such units because no bank management will take any risk and why should they? Therefore, Government should try to see that these resources are mobilized internally.

**SHRI VAYALAR RAVI (Kerala):** Sir, the hon. Minister is very categorical in his assertion that he will not give any direction to the banks regarding financing the institutions, that it will be given only on the basis of viability and that, otherwise, he will not pay. The Finance Minister's approach is purely compartmental, but, sir, viability depends upon many factors in totality. You cannot look at it in an isolated way. For example, I will point out that the HMT is one of the proudest institutions which was established by Pt. Jawaharlal Nehru. Today it is facing losses everyday. A lot of letters have been received from the officers and the workers. The present Chairman is deliberately making a loss to go to the BIFR.

The other thing is about the power sector. The power policy is going to affect the BHEL. The very existence of the BHEL depends upon the Government's power policy. The viability depends upon the totality of the industrial policy to protect and serve the public sector.

[The Deputy Chairman in the Chair]

**THE DEPUTY CHAIRMAN:** So, what is your question?

**SHRI VAYALAR RAVI:** I am finishing, Madam.

Before he makes a categorical assertion about banks, he must see whether it is possible to make the public sector viable. This viable public sector must continue to serve the nation and serve the purpose for which it has been established.

**THE DEPUTY CHAIRMAN:** No more questions now.

फाइनेंस मिनिस्टर जी, आपका भाषण हो गया?

**SHRI MANMOHAN SINGH:** Yes, Madam.

**THE DEPUTY CHAIRMAN:** Okay, finished.

**SHRI S. JAIPAL REDDY:** Madam, the Finance Minister is to deliver a supplementary lecture. Kindly permit him to do so.

**THE DEPUTY CHAIRMAN:** I will not permit any such thing, no... (Interruptions)...

**SHRI GURUDAS DAS GUPTA:** Madam, he has agreed to answer these... (Interruptions)...

**THE DEPUTY CHAIRMAN:** Gurudasji, you understand one thing. The Minister is kind to agree to answer them. We appreciate it very much. But, you should also appreciate that we have the Railway Appropriations. It is a financial business. Tomorrow is the last day of the Lok Sabha also. These have to be passed and returned to the Lok Sabha, there are certain technical consideration also. We do not want the system to fail totally.

**SHRI MD. SALIM:** Madam, these clarifications are important. Allow him to reply.

**SHRI GURUDAS DAS GUPTA:** If the Finance Minister gives the details, we shall sit till ten o'clock, I can assure you.... (Interruptions)...

**SHRI S. JAIPAL REDDY:** Madam, our Finance Minister is known for his economy in words. He will not take more time than required. Let him answer.

**THE DEPUTY CHAIRMAN:** You ask for reply. You ask for money. Then you ask for dinner. Then you ask for lunch. It is not fair. मनमोहन सिंह जी, बोल दीजिए जो आप कह रहे हैं।

**SHRI MANMOHAN SINGH:** Madam, I think the hon. Member who spoke first, referred to the need for a



broad national consensus. I wholeheartedly endorse that view. We are dealing with the lives of millions and millions of our countrymen. I have always said, and the Prime Minister has said it on several occasions, that we claim no monopoly of wisdom. I assure you that we welcome any mechanism which would enable a broad consensus to be evolved, a sequenced programme of action to be evolved, which has the support of all thinking segments of our country and of all major political parties of our country. We do not approach this in a spirit of partisan politics. It has been our attempt to evolve in this whole area an approach which would find the willing support of the broad mass of our people. We are always willing to sit together with all political parties and other Members of this House. Any modalities that will find their favour will have our support.

Madam, Shri Dipankar Mukherjee raised some issues. I am going to skip over some of them. He asked about the status of the Tripartite Committee. He said that the Prime Minister had stated that after the Tripartite Committee's decision, the BIFR would merely ditto it. Madam, I mentioned in my reply to the debate that tripartite committees have made several recommendations—they do make and they should—which have budgetary implications, which have implications for financial institutions. It is for this reason that the Prime Minister has set up a group of Ministers under me to look at all these issues so that when we go to the BIFR, we have a coordinated approach. For example, I quoted the cases where we said that we accepted the package. In that case obviously the BIFR will simply say, "We dittoed it." But, I respectfully submit to you that the issues are not easy. The tripartite committees often make recommendations which have huge budgetary implications, which impose losses on the financial institutions. We would not be a Government doing our job if we were to merely see that we are

going to merely act as post office. I am absolutely sure that that was not the intention of the Prime Minister.

Another question that Shri Dipankar Mukherjee raised was with regard to holding on operations. I said that I am not willing to give any directive, but that does not mean that the commercial banks will behave in a heartless manner, because commercial banks have sunk a lot of money in these institutions. They have a vested interest to recover that money. In addition, if anything is necessary by way of persuasion short of directives from the Government, I am sure our Government is doing it all the time. Here I can refer to the case of the Tyre Corporation of India which was mentioned as an indication of the good faith in which our Government is approaching the problems of the sick units. The Tyre Corporation of India has three units viz. the Tyre Division in Kanikinare the Reclaimed Rubber Unit in Kalyani and a Cycle Moped Tyre Unit at Tangraash. IDBI is the operating agency. According to IDBI, Kanikinare Unit is potentially viable on a stand alone basis without carrying the burden of the other two units. BIFR has asked IDBI to re-examine the viability of Tangra unit. The working capital requirement of the TCIL are financed by a consortium of three banks viz. the Allahabad Bank, Canara Bank and the United Commercial Bank. While the Allahabad Bank and Canara Bank have no problems in releasing their share of working capital in Kanikinare unit the United Commercial Bank had expressed their inability due to their own financial difficulties. The UCO bank was requested by the company to increase their exposure by Rs. 2.8 crores. The UCO bank has now agreed to enhance their working capital by Rs. 1.09 crores and has requested the Canara Bank to take up the balance. I have learnt that the Canara Bank has agreed to take the balance share as requested by the United Commercial Bank. So, I want to assure the hon. House that banks have a vested interest in seeing that wherever

possible, these units are revived because they have sunk their money into it; they are interested in recovering that money. So, wherever these units are potentially viable and the operating agencies come to that conclusion, I have reasons to believe that the banks are not going to behave in any irresponsible manner that they will simply say these units ought to be closed down.

As regards the concessional rates of interest applicable to these units, I have already mentioned in my opening statement that the Reserve Bank is considering issuing of guidelines which would be applicable to the public sector units belonging to this category. The Reserve Bank will be attending to that question. As far as the Tyre Corporation is concerned, I have already answered the question.

With regard to the issue of the replacement costs, I think the hon. Member has raised a relevant question. I feel that this is one of the consideration which all operating agencies ought to take into account. I have no reason to believe that they do not take into account.

Shri Biplab Dasgupta brought up this issue of short-term and long-term. But, 45 years is long enough a period. And if there are any seasonal or cyclical problems, I am sure the banking institutions will take note of that. As I said, they have a vested interest in keeping these units afloat as long as possible. In fact, part of the problems has arisen because banks had been too lax in the past, not only with the public sector, but also with the private sector. But I respectfully submit that the unit which has lost whole of its net worth, I think, one ought to be seriously concerned about it before one decides to put ones money in keeping that unit going. Therefore, banks have every reason to worry about their capital being eroded further by increased involvement in such units.

I am very glad to hear Mr. Gurudas

Das Gupta that he and his party want the public sector to become profitable. I think that augurs well in evolving a broad national consensus that we have been talking about and to the specific issue as to what happens before the BIFR pronounces its decision, I have already said that on a case by case basis, banks will look into this problem. As I have already mentioned, banks have a vested interest in providing need-based finance because they have already sunk a large part of their capital into the financing of these units.

Now, with regard to the specific cases of the CCI, the ATC, right now I am not in possession of those facts and, therefore, I am not able to comment on that.

His further question and suggestion of investing profits of the public sector units in other sick units, I think, this is an issue which ought to be considered by those public enterprises on the merits of the case. On principle, I would not like to endorse that profits of the profitable units should necessarily be invested in sick units. That might be counter-productive in many cases. This should be left to these units. But I do think aloud that greater facility of merger between a sick unit and a healthy unit could be a better alternative to deal with the problem of such units.

Mr. Jagesh Desai mentioned two or three points. I do not share his view. As I said earlier, it will give banks an inducement to deny the need-based credit. As I have already said, banks have a vested interest in keeping these units afloat, as long as possible and, therefore, that should be enough and proper incentive for them to provide the need-based finance.

His other suggestion was regarding use of funds from disinvestment. If we were a country, if we were a Government with no revenue deficit, I think, the suggestion would have a lot of merit. But we have a huge revenue deficit. We need this

disinvestment to reduce our fiscal deficit. In this situation, there are limitations to which you can implement this sort of approach. If we were starting from an ideal stage, his suggestion would have a lot of merit.

He also suggested that we should use surplus land. I for one favour that sort of proposal if it finds favour with the State Governments.

**उपसभापति:** और भी सवाल बाकी हैं, मनमोहन सिंह जी?

**SHRI MANMOHAN SINGH:** Madam, I am coming to the last issue. Mr. Vayalar Ravi suggested that all those public sector undertakings which are viable should be given all possible encouragement. I heartily endorse his suggestion. I am not familiar with the case of the Hindustan Machine Tools. But it quite often happens that when many public sector units fall into bad debts, they try to blame the Government. They try to blame the banks. But as the HMT is concerned, I can assure Mr. Ravi that right now a restructuring programme is being considered. We consider the HMT as a great national asset. We will give it all possible assistance to flourish. So on that point, there should be no doubt at all.

**THE DEPUTY CHAIRMAN:** I hope the Members are satisfied. If some Members are not satisfied, we cannot help it.

I have a Bill for introduction Mr. P.M. Sayeed.

## THE INDIAN PANEL CODE (AMENDMENT) BILL, 1994

**THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P.M. SAYEED):** Madam, I beg to move for leave to introduce a Bill further to amend the Indian Penal Code.

**The question was put and the motion was adopted.**

**SHRI P.M. SAYEED:** Madam, I introduce the Bill.

## REFERENCES—CONTD.

### Re. Misuse of TADA

**उपसभापति:** मनमोहन सिंह जी को अब जाने दो, इन्हें खाना नहीं खाया है। Let us have some courtesy for the Finance Minister. *(Interruptions)* Still, the Members insist on Zero Hour. What about the Railways? We have two hours for it and then we have a statement at five o'clock on a very important issue about Pakistan's nuclear capability. What would you like? *(Interruptions)* But, the Appropriation (Railways) Bills have to be sent back. I told you that there is a technical difficulty. *(Interruptions)* I know it.

**श्री प्रमोद महाजन:** वह तो 5:00 बजे है।

**THE DEPUTY CHAIRMAN:** I Know it.

**SHRIMATI MARGARET ALVA:** Madam, the Government Business and the financial matters should also be considered by the House. *(Interruptions)* The Calling Attention has gone on for five hours. The Calling Attention should have been finished in two hours. *(Interruptions)*

**SHRI GURUDAS DAS GUPTA:** Madam, you were present in the Chamber of the hon. Chairman.

**श्री प्रमोद महाजन:** एक बार आपके साथ भी तय हुआ, यह अच्छा तरीका नहीं है हाउस में काम-काज का, इससे बहुत गलत मैसेज जाता है। आज जीरो आवर में ऐसी क्या बात है जो जीरो आवर को बचाया जा रहा है?

**THE DEPUTY CHAIRMAN:** If you