

Hindustan Paper Corporation

*88. SHRI RASHEED MASOOD: SHRI VIRENDRA VERMA:

Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that the Hindustan Paper Corporation Limited has been continuously incurring losses and that it would continue to incur losses during the next ten years even if some of its projects in the north-eastern region, ere fully operational;

(b) if so, what was the loss (till date) suffered by HPCL during the last three years (year-wise) and what is the estimated annual loss likely to be incurred by it during the next three years;

(c) what are the major factors identified for the dismal performance of HPCL; and

(d) what measures are contemplated by Government to minimise the losses and to bring it on an economically viable footing?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) The Hindustan Paper Corporation Ltd. is incurring losses and the trend is likely to continue in the near future.

(b) Total loss incurred upto 31-3-88 is Rs. 136. 31 crores.

Loss during the last 3 years:

	(Rs. in crores.)
1983-84	30.77
1984-85	34.27
1985-86	51.67
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	116.71

The estimated annual loss during the next three years would be:—

1986-87	87.33
1987-88	103.85
1988-89	97.89

The question was actually asked on the floor of the Hduse by Shri Virendra Verma.

(c) The main reasons are location-al disadvantages, takeover of sick unit, teething troubles of new units, power cuts imposed by the State Government, non-availability of skilled manpower, and the like.

(d) Steps are being taken to develop infrastructure facilities, maximising production, long-term planning to take care of raw-material requirements, training of local manpower etc.

श्री वीरेन्द्र वर्मा : माननीय मंत्री जी बताने की कृपा करेंगे कि जो उन्होंने बताया है कि कुल 136 करोड़ रुपये इसमें अभी तक नुकसान हो चुका है और आगे उससे भी अधिक, अगले तीन सालों में होने वाला है ; यह इन्होंने इंडीकेशन दी है । मैं माननीय मंत्री जी से जानना चाहता हूं कि हिन्दुस्तान पेपर कारपोरेशन में क्या कोई यूनिट, क्या कोई प्लांट लाभ भी दे रहा है ? कितने प्लांट्स हैं, और उनमें से कितने लाभ दे रहे हैं और कितने नुकसान पर चल रहे हैं और कब से ?

SHRI J. VENGAL RAO: Sir, at present under the Hindustan Paper Corporation, there are five plants. The total investment is Rs. 863. 52 crores. Four plants are working and the fifth is under construction in Assam. As for the actual location, one plant is in Nagaland and it is Very difficult to transport coal and other raw materials there. One paper plant—the Hindustan Newsprint—is in Kerala which is producing very well but unfortunately power cut is there and due to power cut and want of raw materials, it is incurring losses. The third is Mandya National Paper Mills which is a sick unit and has been taken over by the Government. Now the Government is spending nearly Rs. 18 crores to modernise the plant and to establish a captive power plant there. The Nowgong paper project is also in Assam which is also incurring losses. One paper plant—the Cachar Paper Project, costing Rs. 325 crores is under construction.

MR. CHAIRMAN: The only question asked was if any one of these units is working at a profit.

SHRI J. VENGAL RAO: So, Sir.

MR. CHAIRMAN: None of them, Second supplementary.

श्री वीरेन्द्र वर्मा : माननीय मंत्री जी बताने की कृपा करेंगे कि जिस समय इन पेपर प्लांट्स को स्थापित करने के लिए गवर्नमेंट ने डिसिजन लिया, अब यह कहते हैं कि उनका लोकेशन डिसएडवांटेजियस है, जिस समय उन को लोकेट, करने के लिए डिसिजन लिया तो क्या उस समय इनका एडवांटेजियस या डिस-एडवांटेजियस पर सरकार ने विचार नहीं किया था ? दूसरा प्रश्न यह है कि जो यह कहते हैं कि स्किल्ड मैन पावर की कमी है तो जो आपने इसमें 833 या 836 करोड़ इसमें लगाया था तो क्या उस समय स्किल्ड मैन पावर की एवलिटी का ध्यान नहीं रखा था और लॉग टर्म प्लान का ध्यान नहीं रखा था ? क्या उस समय यह आपके दिमाग में नहीं था ये फैल्योर हो सकते हैं ?

SHRI J. VENGAL RAO: Sir as I submitted to you, three units were established in the North-eastern region to develop the backward areas, especially Assam and Nagaland. In Nagaland it is very difficult to get trained, skilled people and, as I also mentioned, we have to transport coal from very far away. In Assam also, the difficulties are like that.

श्री वीरेन्द्र वर्मा : श्रीमन्, मेरा प्रश्न यह है जिस समय यह लोकेशन ली गयी थी, जिस डिसएडवांटेजियस की चर्चा हम कर रहे हैं तो क्या उस वक्त यह चीज ध्यान में नहीं थी ? कोल के पहुँचने में दिक्कत होगी या दूसरी किसी चीज की दिक्कत होगी क्या इस चीज का ध्यान नहीं था ?

MR. CHAIRMAN: The Minister's answer is, these were located in backward areas for the purpose of development of backward States. Now to

SHRI J. VENGAL RAO: Sir as I submitted to you to develop the North-eastern Region, which is backward, because forests are there and it is a forest-based industry, mainly the paper plants were started there. Now they are incurring losses. We will try to improve.

श्री वीरेन्द्र वर्मा : अभी यह बताया था कि आगे के तीन सालों में और अधिक नुकसान होने वाला है। इधर आप बता रहे हैं कि इन कारपोरेशन को माडर्नाइज करने जा रहे हैं तो क्या इससे और अधिक नुकसान नहीं होगा ?

SHRI NIRMAL CHATTERJEE: Locational disadvantages are not looked into when backward districts are considered! This is very surprising.

MR. CHAIRMAN: I will give you an opportunity to put a supplementary because you have made a point.

SHRI VITHALBHAI MOTIRAM PATEL; May I know from the Minister whether any assurance had been taken from the Kerala Government when the plant was set up that they would supply enough power. I would like to know whether the units which are totally unviable will be scrapped or continued.

SHRI J. VENGAL RAO: Sir, as you know, I was also the Chief Minister of a State. You know very well, before setting up industries they will give all promises. After starting the units they will not fulfil all these promises. Power cut is the main constraint in all these industries. In Assam we are now completing a Re. 350 crore project. If the State Government is in a position to give the power, it will start by 1st January for trial production. We are awaiting the State Government's green signal. We don't know if they are in a position to give power or not.

SHRI ATAL BIHARI VAJPAYHBr Is it not a fact that we are importing

security paper for printing promissory notes for the Reserve Bank in large quantities incurring huge foreign exchange? May I know whether we are not in a position to produce even security paper required for printing promissory notes?

SHRI J. VENGAL RAO: Sir, this is an irrelevant supplementary to the question.

SHRI ATAL BIHARI VAJPAYEE: How can it be irrelevant? Under the Corporation there is a factory which is producing security paper.

MR. CHAIRMAN: I am supporting you. Now the point is, you say you are all incurring losses. Could you not produce security paper which will save foreign exchange?

SHRI J. VENGAL RAO: Sir, if you ask the Finance Minister, he will say Security paper is their look-out, not my look-but.

SHRI NIRMAL CHATTERJEE: When we try to attract capital into backward districts, we try to provide various kinds of infrastructural facilities and some concessions. I am surprised to find here that locational advantages are not considered at all while attracting Indian capital Or foreign capital into backward areas. Would the Minister kindly enlighten us on this point whether in future at least while inviting capital into backward districts, locational advantages would be one of the most important considerations? Otherwise, after some time when, they become forward, you will be entangled with the locational disadvantage itself as in this particular case. Would you reveal your policy on this aspect?

SHRI J. VENGAL RAO: or future we will take note of the honourable Members suggestion.

MR. CHAIRMAN: And apply it to Bengal!

PROF. C. LAKSHMANNA; Mr. Chairman, Sir, the Minister has been stating that the units have not been working because of the locational problems and also non-supply of electricity. I would like to ask the Minister whether there has been a cage in any one of these four units where the technology which has been used is not of the correct type as a result of which there have been losses.

SHRI J. VENGAL RAO: That is not correct, Sir,

MR. CHAIRMAN: His point is whether the technology applied is not of the correct type.

SHRI J. VENGAL RAO: No, Sir. It is not because of technology that it is incurring losses. The main constraint is the power cut and, then non-availability of raw material.

श्री वीरेंद्र वर्मा : श्रीमन्, हिन्दुस्तान पेपर कारपोरेशन का वर्क सेटिसफेक्ट्री नहीं है, और माननीय मंत्री महोदय का जवाब भी सेटिसफेक्ट्री नहीं है। इसलिए मैं इस मामले पर आगे घंटे की चर्चा के लिए आपकी आज्ञा चाहूंगा। मैं आपको लिखकर भी दूंगा।

MR. CHAIRMAN: You please give in writing; I will consider.

New drug policy

*89.DR.BAPUKALDATE:

DR. (SHRIMATI) SAROJINI MAHISHI

Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that the Committee of Secretaries has since approved the new drug policy;

(b) if so, what are the salient features of the new, drug policy;

The question was actually asked on the floor of the House by Dr. (Shrimati) Sarojini Mahishi.