

## RAJYA SABHA

Thursday, the 22nd March, 1979/  
the 1st Chaitra, 1901 (Saka)

The House met at eleven of the clock, **Mr. Chairman** in the Chair.

### ORAL ANSWERS TO QUESTIONS

#### Loss suffered by National Industrial Development Corporation Ltd.

\*421. **SHRI VISWANATHA MENON:** Will the Minister of INDUSTRY be pleased to state:

(a) whether Government are aware that the National Industrial Development Corporation Ltd. has suffered a loss of Rs. 43 lakhs during 1977-78;

(b) if so, what are the reasons therefor; and

(c) what action Government have taken against the officials responsible for the loss?

**THE MINISTER OF INDUSTRY (SHRI GEORGE FERNANDES):** (a) to (c) Yes, Sir. The N.I.D.C., suffered a loss of Rs. 43.54 lakhs during the year 1977-78. The loss was mainly due to the following reasons:—

(i) Some of the anticipated assignments, work on which was expected to be commenced during the year did not mature.

(ii) Certain assignments already in hand work on which was expected to be completed during the year have had to be carried forward consequent to which the earnings as anticipated from those assignments for the year did not materialise.

(iii) Certain prior period adjustments and provision for bad and doubtful debts have had to be made in the accounts for the year.

The Corporation has been experiencing some financial difficulties on account of outstandings against

clients amounting to Rs. 80 lakhs as on 28.2.1979. The position regarding the outstandings was considered by the Board of Directors at its meetings held on 18th December, 1978 and 17th January, 1979 and the Corporation is following up the matter with its clients for the expeditious recovery of the outstanding dues. It has been decided to undertake an independent assessment of the financial affairs of the Corporation.

**SHRI VISWANATHA MENON:** Sir, before taking up the issue in the House, I had already written about this to the hon. Minister when he took charge of the Industry Ministry. I have not received any concrete reply from him. Even now he is very much evasive. Sir, NIDC's is not a new problem; this problem has existed for years together. I would say, the NIDC is spending money, nothing is gained, there has been a racket. Sir, I do not want to use strong words but the fact remains that the Committee on Public Undertakings in its 63rd Report have taken up the issue. They have studied the matter and have suggested certain things to be done. My first question to the hon. Minister is whether any of the recommendations of the 63rd Report of the Committee on Public Undertakings have been implemented.

**SHRI KALYAN ROY:** What about the major recommendations?

**SHRI VISWANATHA MENON:** Whether any of the recommendations have been implemented—that is my first question.

**SHRI KALYAN ROY:** What is the progress of implementation?

**SHRI GEORGE FERNANDES:** I shall need notice about this.

**SHRI VISWANATHA MENON:** You are aware of the Report and the recommendations.

**MR. CHAIRMAN:** He has asked for notice. There is no other way.

SHRI VISWANATHA MENON: Sir, it is really surprising to hear this from a Minister like Mr. George Fernandes for whom I have got some respect. I thought that he would be ready with all these things, and I have written to him about this particular Report. Because he was not giving a proper answer, I put the question here. And on that also he is taking this evasive attitude. This is very bad and I think Mr. Fernandes will correct it hereafter.

SHRI GEORGE FERNANDES: Sir, the question is: 'whether the Government are aware that the NIDC has suffered a loss of Rs. 43 lakhs during 1977-78. I am prepared to answer this question. If the hon. Member wants to know about the implementation of the recommendations of the Public Undertakings Committee, I shall need notice because I am not equipped to answer all aspects of the functioning of the NIDC at the moment. It is most unfair on the part of the hon. Member to make the kind of insinuation which he is making.

SHRI VISWANATHA MENON: Sir, even on the question of loss of Rs. 43 lakhs, I would say that this loss has been detected because there were some recommendations which have not been implemented. Therefore, my feeling is that it comes under this question. The hon. Minister has taken an attitude that this does not come under this question. According to him, this does not come under this particular question. I leave it to you. I do not want to go into that.

According to him, the loss is because of stoppage of outstandings against the clients. But my feeling is that it is because of inefficiency. Actually, the Chairman of the NIDC goes all over the world, flies all over the world, spends a lot of money, but nothing is gained. These various projects which the NIDC had obtained, he could not implement. This is my allegation. I would like to know whether it is not a fact that the loss re-

ferred to is out of the income exclusively attained for the year 1977-78. I would also like to know the amount of losses before this period. Can you give it, or, do you need notice for this also?

SHRI VISWANATHA MENON: Sir, I have stated the reasons for the loss, which the undertaking suffered in the year 1977-78. It is true that the affairs of the NIDC have not been up to the mark in terms of its functioning. We have taken measures . . .

SHRI VISWANATHA MENON: What measures?

SHRI GEORGE FERNANDES: . . . to see that the NIDC functions properly. There is just now an independent assessment being made of the affairs of the Corporation. We have also taken steps to see that the outstandings are recovered. There are outstanding, substantial amounts of money that are due. We have taken steps to see that these are recovered.

A point has been made that the Chairman-cum- Managing Director of this Corporation has been flying around. Well, I admit that the man has been moving around. But Sir, the NIDC is a consultancy organisation. It is engaged in a number of projects, within the country and without. There are 15 specific projects out side the country valued at Rs. 2 crores and 12 lakhs. The monitoring of these projects, the efficient implementation of these projects, invariably, would require the Chairman to make on the spot studies occasionally. It is also necessary for an organisation like the NIDC, which is a consultancy organisation, to look out for jobs abroad. Only recently, Sir, the NIDC was able to get an order worth a crore of rupees from Algeria. Now, in all these matters, it is necessary for the chief executive to be constantly on the move and, therefore, to suggest that the losses are due to the chief executive travelling around is not correct. There are other reasons. We are investigating into these reasons.

**SHRI LAKSHMANA MAHA-PATRO:** Sir, he is fair enough to admit that there is a loss of Rs. 43 lakhs. But I am concerned about something else. Is it true that the current liabilities would amount to about Rs. 50 lakhs which include liabilities like payments to travel agents, rent for the office buildings, contribution towards provident fund, payment to the CGHS and remittances of allowances to technical employees posted abroad in countries like Libya and so on? This is again an amount which has to be paid, which would mean that this will be more than, the loss will be more than, what he feels. Is it true that these are still current liabilities?

**SHRI GEORGE FERNANDES:** To the best of my knowledge, there are no liabilities in so far as this year, 1977-78, is concerned, to which this question relates. The cash inflow during that year was Rs. 98.47 lakhs. The cash outflow was; salaries to employees, which were paid in full, Rs. 67.93 lakhs; administrative and other expenses, Rs. 46.96 lakhs which include rent also; interest of Rs. one lakh; capital expenditure of Rs. 87,000; Income-tax of Rs. 88,000 and the dividend payment of Rs. 2 lakhs. Rs. one crore and 19 lakhs was the cash outflow resulting in a deficit of Rs. 21.17 lakhs. There are no outstanding in terms of the employees' salaries or rent of any premises.

**श्री रामानन्द धादव :** सभापति जी यह बड़ी खुशी की बात है कि इंडस्ट्रियल मिनिस्टर साहब को नेशनल इंडस्ट्रियल डेवलपमेंट कारपोरेशन की वास्तविक स्थिति का, वहां के मैनेजमेंट और वहां की आर्थिक स्थिति, दोनों का पूरा ज्ञान हो गया है। मंत्री म हौदय ने वहां केवल एकानामिक लाम जो हुआ है उनके कारणों पर प्रकाश डाला है। लेकिन मैं सरकार से यह जानना चाहता हूं और सरकार को यह जान लेना चाहिए कि कारपोरेशन के जो चेयरमैन हैं और जो इम्पलाईज लोग हैं उनके बीच रिलेशंस अच्छे

नहीं हैं और जो कारपोरेशन है वह मैनेजमेंट और इम्पलाईज के बीच एक लड़ाई का अखाड़ा बन गया है। इम्पलाईज और मैनेजमेंट में जो लड़ाई है उसके फलस्वरूप अनेको सिविल सूट केस इम्पलाईज लोगो ने किये हैं। मैं सरकार से दो बातें जानना चाहता हूं कि वह यूनिट लाम में रन न करे इसके लिये कौन से मेजर अडाप्ट किये हैं? दूसरा मैं सरकार से यह जानना चाहता हूं कि सरकार यह बताये कि कितने सिविल सूटस इम्पलाईज लोगो ने मैनेजमेंट के खिलाफ या आपस में मैनेजमेंट की सविसेज को लेकर या दूसरे मैटर लेकर दायर किये हैं।

**श्री जार्ज फॉर्डेज :** सभापति जी, जहां तक कर्मचारियों के साथ इस कारपोरेशन के मैनेजमेंट के ताल्लुकात का मामला है यह सही है कि उसमें काफी बिगाड़ है। उसको सुधारने की दृष्टि से प्रयत्न जारी है और पब्लिक इन्टरप्राइज, सेंटर फार कन्टीन्युइंग एजुकेशन, इस संस्था से भी हमने प्रार्थना की है कि वह विशेषरूप से यहां पर श्रमिक और मैनेजमेंट के रिश्ते सुधारने में हमारी मदद करे। कितने सिविल सूटस आपस में एक दूसरे ने दायर किये हैं, इस बारे में मेरे पास जानकारी नहीं है . . . . .

**श्री रामानन्द धादव :** मैनेजमेंट और आफिसरों के खिलाफ ?

**श्री जार्ज फॉर्डेज :** इस बारे में मेरे पास जानकारी नहीं है। अगर इस बारे में नोटिस मिल जाय तो मैं जानकारी दे दूंगा।

एन० आई० डी० सी० की स्थिति सुधारने के लिये एक ही रास्ता है और वह यह है कि जो एन० आई० डी० सी० का काम है उसको और ध्यापक बनाया जाय। देश के भीतर के और देश के बाहर के जो काम इस वक्त उसके हाथों में हैं उसको पहले ठीक ढंग से कराया जाय। बाहर से भी और देश के भीतर से, दोनों जगहों से शिकायतें हैं। देश

के भीतर एन० आई० डी० सी० कंसलटेंसी देती है और देश के बाहर भी देती है। शिकायतें हैं और उन शिकायतों को दुरुस्त करने की दृष्टि से हमने कई कदम उठाये हैं। चेरमैन और मैनेजिंग डायरेक्टर को हमने कहा है कि काम के बारे में जो शिकायतें आती हैं वे शिकायतें किसी भी स्थिति में नहीं आनी चाहिए। सरकार की तरफ से जहाँ जहाँ देश के भीतर और विशेषतः बाहर से कंसलटेंसी का जन्म भी कोई सुझाव आता है अन्य मुक्तों से हमारे पास इस तरह के सुझाव आते हैं तो एन० आई० डी० सी० को वह काम मिले इस दृष्टि से हम विशेष रूप से प्रयत्नशील हैं।

**SHRI G. C. BHATTACHARYA:** Will the Minister of Industry be pleased to state whether one Mr. A. V. Lele, elected member of the Workers' Management Council, has written a letter to the hon. Minister on 7-3-1979 and if so, what are the contents of the letter? I would also like to know whether the same letter is being examined by the Ministry of Industry or not.

**SHRI GEORGE FERNANDES:** I have received any number of communications from Mr. Lele, but I won't be in a position to tell at the moment what their contents are and what is being done on them.

**SHRI ARVIND GANESH KULKARNI:** Sir, it is unbecoming of Mr. George to ... (Interruptions) Leave aside vague, he is going in his own way. You must be outspoken. The problem is, we are asking questions not on your book-keeping knowledge of the NIDC, we are asking questions which are relevant to the performance of the NIDC. Now, Sir, I want to put a very specific question to the Minister in respect of a project with which I am also concerned. We had handed over one project to the NIDC for manufacturing paper out of bagasse in the co-operative sector in Maharashtra. That project ultimately did

not come up because they did not have the sufficient knowledge. We came to know that they were getting the FAO report and giving us the information. Mr. George, I do not want to bring in a conflict. I only want to inform you.

**SHRI PILOO MODY:** Stop apologising.

**SHRI ARVIND GANESH KULKARNI:** Piloo Modyji Namskar. I forgot to say that to you.

**MR. CHAIRMAN:** Please put your supplementary.

**SHRI ARVIND GANESH KULKARNI:** I want to know from George what the NIDC is doing in research. They may have foreign projects. I want that the Chairman should go abroad. He can even move like a satellite sent by the USA or Russia; I have no objection; it is his business. But I want to know particularly if these people have got fabricating and designing facilities with them. They are not doing original research and original technology required for him. That is my experience from their project report prepared for Maharashtra. I want to know whether the Hindustan Paper Corporation, a Government of India undertaking, has withdrawn its assignment from NIDC and if so, apart from giving this information on book-keeping of the NIDC, I would request Mr. George to go into the inner details to see that the technological facilities are developed.

**SHRI GEORGE FERNANDES:** Sir, as I have said, NIDC is a consultancy organisation. It is not concerned with maintaining a workshop for fabricating and designing. Invariably a consultancy organisation relates itself to the various facilities that are available within a country, or when it undertakes a specific job . . .

**SHRI ARVIND GANESH KULKARNI:** I am sorry, Mr. George, you are totally misinformed. I know better than you.

**SHRI GEORGE FERNANDES:** If the hon. Member has greater knowledge about consultancy organisations and if he has a specific problem about a sugar mill which is to produce paper with bagasse, he should come forward with his specific problem. NIDC is a consultancy organisation. A consultancy organisation does not maintain workshops and research laboratories of the type visualised by the hon. Member. It relates its consultancy capabilities with whatever it needs to acquire at a certain point of time for a specific project. So, Sir, if there was any failure on the part of the NIDC in regard to a specific project, about which the hon. Member has mentioned, I shall certainly enquire into it.

Sir, he also make a point about Hindustan Paper Corporation having withdrawn a certain project that was handed over to the NIDC. I have no report on that at the moment. I shall enquire into it.

**SHRI KHURSHED ALAM KHAN:** May I know from the hon. Minister what is the number of Directors of this Corporation, what is the actual number according to the requirements that should be there? Besides, I want to know who the Chairman of this Corporation is and whether he was associated with this Corporation before and in that capacity. What was his performance then? And what has been the outstanding amount in respect of the services rendered by this Corporation and who is responsible for non-recovery of those amounts?

**SHRI GEORGE FERNANDES:** Sir, the Board at the moment consists of four members—Mr. Kan D. Mariwalla is the Chairman and Managing Director, and the three Directors are Mr. Coelhe, Joint Secretary in the Ministry of Industry, Mr. B. N. Jalan Economic Adviser in the Ministry of Industry and Dr. Ram Vepa, Additional Commissioner of Small Scale Industries. There are vacancies on the

Board which we are contemplating to fill at the moment.

As I said earlier, there are certain outstandings. The outstandings upto 31st January, 1979 amount to Rs. 83 lakhs. As I said, we have taken steps to recover these dues. One of the steps taken is the appointment of an officer who is concerned specially with identifying the reasons why these dues were not recovered in time and take steps to see that these moneys are recovered.

**SHRI KHURSHED ALAM KHAN:** My question was about the Chairman.

**SHRI GEORGE FERNANDES:** I have mentioned that Chairman is Mr. Kan D. Mariwalla. So far as his performance in the past is concerned, I would need notice to give any specific performance of the gentleman. But before his appointment some time ago as the Chairman and Managing Director, his past performance was taken into account by the Public Enterprises Selection Board.

**SHRI G. LAKSHMANAN:** Will the Minister be pleased to state whether it is a fact that the decisions taken in the Management Council, for which this Managing Director-cum-Chairman is also responsible, are consigned to the dust-bin by the same Managing Director-cum-Chairman?

**SHRI GEORGE FERNANDES:** Sir, if I get any specific decision that has been flouted by the Chairman-cum-Managing Director I shall look into it.

**SHRI G. LAKSHMANAN:** All the decisions.

**SHRI GEORGE FERNANDES:** I shall look into this matter.

**SHRI N. P. CHENGALRAYA NAIDU:** Sir, I have to ask something about the working of this institutions. Is it a fact that at the time of the previous Government many people have been appointed in this institution without having any technical knowledge? Now whenever anything is referred to them they are not able to

scope with the work. Will the Government appoint a Committee to go into the matters of this institution and remove those people who do not have enough knowledge and appoint new people ?

The other thing is that there are about Rs. 80 lakhs due to the institution. May I know if they are going to collect penal interest from them? When the institution takes a loan from the bank they have to pay interest. Now when there is an outstanding of Rs. 80 lakhs, may I know if they are going to collect interest from them or not?

SHRI GEORGE FERNANDES: I am not aware of the appointment of any incompetent people on this body. No such report has come to my notice so far. It is the first time that a suggestion even to this effect has been made. I do not feel the need to appoint any committee to investigate into the affairs of this Corporation.

SHRI VISWANATHA MENON: Please look into it.

SHRI GEORGE FERNANDES: I shall certainly look into it. I shall look into the various points that have emerged in the course of this question. In so far as collecting penal interest is concerned, the N.I.D.C. is a public undertaking; it is a Corporation, and when it enters into business deals there are bound to be certain amounts of money due. But if they are due for a period longer than reasonable, then, Sir, obviously the question of collection of penal interest would arise. But I am sure the question will be decided on a case-to-case basis.

#### Research in the development of bicycle

422. SHRI SHIVA CHANDRA JHA: Will the PRIME MINISTER be pleased to state:

(a) whether Government have made any research in the development of a bicycle which can ply on waters;

(b) if so, what are the details thereof; and

(c) if not, what are the reasons therefor?

THE PRIME MINISTER (SHRI MORARJI DESAI): (a) No, sir.

(b) Not applicable.

(c) No research proposal has been received in this regard.

श्री सोता रामकेसरो : पानी पर साईकिल चलायेंगे . . . . ( )

(Interruptions)

SHRI LAKSHMANA MAHAPATRO: What about cycle in the air?

श्री शिव चन्द्र झा : सभापति महोदय चूकि लाईब्रेरी का रिफरेंस रूम इतना ठीक नहीं, है, अपटु डेट नहीं है कि तुरन्त मैं जो मट रियल मांगू वह मुझे मिल जाय नहीं तो मैं आपको पढ़कर बता देता कि इस तरह का प्रयोग चल रहा है अपने मुल्क हिन्दुस्तान में। इतना और भी मैं कहना चाहता हूँ कि बिहार का एक इंजीनियर इस पर एक्सपेरिमेंट कर रहा है उसने बहुत दूर तक पानी में साईकिल चलायी भी है (Interruptions) सभापति महोदय, यह बात सही है कि अभी प्रयोग नहीं हो रहा है लेकिन मैं चाहूंगा प्रधान मंत्री जी से कि वे अपने जितने वैज्ञानिक हैं रिसर्च करने वाले हैं उनसे इसकी पार्सिवर टी पर कुछ रिपोर्टें मांगे ।

SHRI MORARJI DESAI: In Bihar anything can happen. I am not aware of it.

MR. CHAIRMAN: If there is no more question I will go to the next question. Now let us go to the next question.

DR. RAFIQ ZAKARIA: Sir, mine is the next question. As I said three days ago, this matter... (Interruptions).