

## LOK SABHA DEBATES

7011

7012

### LOK SABHA

Saturday, 21st December 1957.

The Lok Sabha met at Eleven of the Clock.

[Mr. SPEAKER in the Chair]

#### ORAL ANSWERS TO QUESTIONS

Short Notice Question and Answer

NARSING GIRJEE MILLS LTD.,  
SHOLAPUR

†  
S N Q. 9. { Shri Khadilkar:  
          { Shri More:

Will the Minister of Labour and Employment be pleased to state:

(a) whether it is a fact that the Provident Fund dues amounting to Rs. 9 lakhs with the management of the Narsing Girjee Mills Ltd., Sholapur, were allowed to be converted into Debentures;

(b) if so, by whose authority this conversion took place;

(c) whether the Commissioner for Provident Fund has sanctioned this conversion of provident fund collections into Debentures;

(d) whether this conversion was at par and whether any brokerage or commission was given to anyone; and

(e) if so, to whom?

The Deputy Minister of Labour (Shri Abid Ali): (a) No. Debentures worth Rs. 9.13 lakhs were accepted in 1954 as security from the Mills pending payment of the provident fund dues

(b) to (e). Do not arise.

318 L.S.D.—1.

Shri Khadilkar: Is it not a fact that an assurance on the floor of the House was repeatedly given by the Minister of Labour that the provident fund money belonging to the workers would be considered as a separate trust?

Shri Abid Ali: According to the provisions of the Act, the amount collected by the employers on account of provident fund and their own dues should be deposited in Government securities.

Shri Khadilkar: Is Government aware that this mill has gone into liquidation and a liquidator has been appointed by the Bombay High Court? May I know how this conversion into debentures of an almost bankrupt concern was allowed?

Shri Abid Ali: According to the investigation, the assets of the mill are worth Rs. 30 lakhs. The provident fund amount due from the mill totalled about Rs. 28 lakhs. Out of this Rs. 13 lakhs and odd have been collected and Rs. 14 lakhs and odd are due Debentures for about Rs. 11 lakhs and odd have been taken as a first charge on the assets and for Rs. 3 lakhs guarantee from the employer, which, of course, is not very much secure

Shri Prabhat Kar: May I know whether according to the Provident Fund Act, the money belonging to the provident fund is only to be invested in trust securities or whether debentures can be taken?

Shri Abid Ali: As I have said earlier, the amount has to go to Government securities. But as the mill was not paying and when Rs. 4 lakhs became due in February 1954, we wanted to take action. The Bombay Government was of opinion that if

recovery proceedings were instituted at that stage, the mill would close. They recommended that the mill should be allowed to continue working, so that the workers, numbering more than 4,000, would not be rendered unemployed, and that debentures should be taken as first charge on the asset. That was the only basic course possible and that was taken.

**Shri Khadilkar:** May I know whether the Minister is aware that after giving this facility, the mill did not work, that labourers are unemployed and their ordinary dues of provident fund are not being paid?

**Shri Abid Ali:** What I mentioned was concerning February, 1954. The mill continued working till August, 1957, because of that facility which was given.

**Shri Prabhat Kar:** When this infringement of the investment of provident fund money was made in 1954, may I know what steps Government had taken against the company for this infringement?

**Shri Abid Ali:** Debentures were taken and also subsequently prosecution was started. Two prosecutions were started and recovery proceedings also were started. Recovery proceedings have come to a stage where they could not proceed further, because of the mill having gone into liquidation. In one prosecution, the two directors have been fined and the other case is pending.

#### PAPERS LAID ON THE TABLE

##### REPORT ON COMPENSATION TO BE PAID ON NATIONALISATION OF KOLAR GOLD MINES

**The Minister of Mines and Oil (Shri K. D. Malaviya):** I beg to lay on the Table a copy of the Report of the Ad Hoc Committee on the Compensation to be paid on the Nationalisation of the Kolar Gold Mines. [Placed in Library. See No. LT-477/57.]

##### REPORT ON INDIAN AIRLINES CORPORATION'S FARES AND FREIGHT RATES

**The Minister of State in the Ministry of Transport and Communications (Shri Humayun Kabir):** I beg to lay on the Table a copy of Report of the Air Transport Council on Indian Airlines Corporation's Fares and Freight Rates (May 1957). [Placed in Library. See No. LT-478/57.]

##### REPORT OF INDIAN GOVERNMENT DELEGATION TO 40TH SESSION OF I.L.C.

**The Deputy Minister of Labour (Shri Abid Ali):** I beg to lay on the Table a copy of the Report of the Indian Government Delegation to the 40th Session of the International Labour Conference (June 1957). [Placed in Library. See No. LT-479/57.]

##### AMENDMENT TO EMPLOYEES' PROVIDENT FUNDS SCHEME

**Shri Abid Ali:** I beg to lay on the Table, under sub-section (2) of Section 7 of the Employees' Provident Funds Act, 1952, a copy of Notification No. S.R.O. 3972, dated the 14th December, 1957, making certain further amendment to the Employees' Provident Funds Scheme, 1952. [Placed in Library. See No. LT-480/57.]

##### NOTIFICATIONS ISSUED UNDER SEA CUSTOMS ACT, 1878

**The Deputy Minister of Finance (Shri B. R. Bhagat):** I beg to lay on the Table, under sub-section (4) of Section 43B of the Sea Customs Act, 1878, a copy of each of the following Notifications:—

- (1) S.R.O. No. 3585, dated the 6th November, 1957.
- (2) S.R.O. No. 3586, dated the 6th November, 1957, containing the Customs Duties Drawback (Dye Stuffs) Rules, 1957 [Placed in Library. See No. LT-481/57.]