

[English]

**Road Transport Corporations Act, 1950**

5712. SHRI BOLLA BULLIRAMAIAH: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Government propose to amend Road Transport Corporation Act, 1950;

(b) if so, the details thereof; and

(c) the time by which it is likely to be done?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) to (c) Yes, Sir. The Central Government had constituted a Committee headed by Joint Secretary (Transport) comprising chief Executives of a few selected State Transport Undertakings and Transport Secretaries and representatives from Ministry of Finance, Planning Commission and Ministry of Law and Justice to review and suggest amendments to the Road Transport corporation Act, 1950. The Committee has since finalised its report and the same has been circulated to the State Governments for their comments. The major amendments recommended by the Committee are given in the Statement attached.

No time limit can be indicated for the amendments to the Road Transport Corporation Act, 1950, at this stage.

**STATEMENT**

The main recommendation are:-

(a) The composition of the Board of Directors of SRTCs should be more broad based and should include professionals as well as representatives of the commuters;

(b) There should be more functional autonomy to the State Road Transport Undertakings and with this in view a number of recom-

mendations have been made.

(c) Provision shall be made for the representation of share holders on the Board whereas Corporation raises its capital under Section 23(3). However, the ceiling of maximum 17 Directors will not be applicable in such a case, Regard. (Section 5(3).

(d) To ensure active participation and attendance of the Directors, "if he absents from 3 consecutive meetings of the Board of Directors off from all the meetings of Board for a continuous period of 9 months, whichever is longer, he shall cease to be a nominee/Director." (Section 6(2);

(e) Interval between two Board meetings shall not be more than four months. (section 11(1).

(f) Board can delegate such of powers and duties as it may think fit, subject to such conditions and limitations as may be specified in the resolutions to Committees of Directors or Managing Director (Section 12(1) (b));

(g) A new clause (v) to sub-section (3) of Section 19 may be added that provisions of Section 19(3) shall not apply in case of services rendered to other State Road Transport Undertakings;

(h) Section 20 may be omitted in view of modifications carried out in M.V. Act, 1988;

(i) The Corporation shall act on business principles in such a manner as to ensure a minimum rate of return of 3% on the capital invested. (Section 22).

(j) Approval of Central Government for raising capital is not considered necessary. Hence the words 'with the previous approval of Central Government' be deleted in Section 23 (2A);

(k) Section 34 is to be amended so as to give greater autonomy to the corporation in its functioning.

(l) Section 32 to be amended to make a provision to the effect that if a Corporation forecast of a net surplus, the budget for the next financial year shall be submitted to State Government for information only whereas in case of a net deficit or breakeven is forecasted prior approval of State Government would be required.

### Merger Of Raja Mills

5713. SHRI G. MADEGOWDA: Will the Minister of TEXTILES be pleased to state:

(a) whether the Mysore Spinning and Manufacturing Mills (Raja Mills) is proposed to be merged with the Minerva Mills, Bangalore;

(b) if so, the details thereof;

(c) the number of employees working in Mysore Spg. & Mfg. Mills;

(d) whether all the employees are proposed to be absorbed in the merged unit?

(d) whether the Government propose to modernise and expand Minerva Mills after the merger;

(f) if so, the estimated cost for the proposed modernisation and expansion programme, and

(g) the amount estimated to be accrued from the sale of lands of Mysore Spg. & Mfg. Mills?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) Yes, Sir.

(b) Mysore Spg. & Mfg. Mill is a heavily losing mill with an accumulated loss of Rs. 38.89 crores as on 31.3.1992. There was a serious fire accident in the mill in January, 1990 which destroyed the spinning preparatory and ring frames. As the revival of the mill would require a large investment, it was decided to merge this unit with Minerva Mills, where there is one

excess capacity in spinning preparatory.

(c) and (d). As on 31.12.1992, there were 1091 employees, (including workers) in Mysore Spg. & Mfg. Mills. Most of them could be absorbed consequent upon restructuring/merger. Purplus workforce, if any, would be offered benefits under Voluntary Retirement Scheme.

(e) Yes, Sir.

(f) As per the Corporate Plan to be implemented during the 8th Plan period, a sum of Rs. 12.50 crores has been provided for modernisation of the resultant unit i.e. Minerva Mills.

(g) Current valuation of land value of Mysore spinning & Mfg. Mills has not been done.

[Translation]

### Revival Of Sick SSI Units In UP

5714. SHRI SANTOSH KUMAR GANGWAR: Will the Minister of FINANCE be pleased to state:

(a) the number of sick units in small scale sector revived in Uttar Pradesh during the last three years;

(b) the amount of loans/grants sanctioned for these units during the above period; and

(c) the number of units proposed to be revived during the next year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The Reserve Bank of India (RBI) has reported that they do not compile data on revival of sick SSI units. However, as at the end of March, 1991 (latest available) Rs. 230.94 crores of bank credit was outstanding against 27,477 sick SSI units in Uttar Pradesh. Of these, 326 units with Rs. 33.78 crores of outstanding