

I would also like to know whether he is allowing the public sector to go in for modernisation and maintaining it and also allowing it to go into the international market like GDR whereby they will not be able to tax the internal resources. The money is coming, because India is now in a position to go to the international market because of the liberalisation policy.

SHRI NIRMAL KANTI CHATTERJEE : It is a wrong policy.

SHRI SONTOSH MOHAN DEV : It is not a wrong policy. It is a correct policy. You have also accepted it in West Bengal, you are opposing it only here.

SHRI P. CHIDAMBARAM : Sir, there are really two questions. To the first question, my answer is that if there is any particular department where there is a problem, certainly we shall look into it. Again speaking from memory, I know that the Ministry of Information and Broadcasting has added a large number of jobs in the last couple of years, so has the Department of Telecommunications. But if there is any problem in any particular area or a particular State where that Ministry has a function, I am willing to look into it.

Sir, the second question is really a policy question and it will not be right for me to respond to a policy question in a Question-Answer Session. Our policy on disinvestment is contained in the Common Minimum Programme. We have not yet taken a decision or announced it. It is under active consideration. Disinvestment is an important strategy. But what we will do, how we will do, we will have to await a decision by the Cabinet.

Our Common Minimum Programme emphasizes that all decisions relating to disinvestment will be taken in a transparent manner and monies raised through disinvestment will be allocated for health and education and for strengthening public sector enterprises. So, I do not think anyone in the 13-Party Front is opposed to disinvestment as such. What they want to ensure is that disinvestment takes place in a transparent manner and the monies are used for health, education and strengthening public sector enterprises.

DR. MURLI MANOHAR JOSHI : Are you going to appoint a Disinvestment Commission?

SHRI P. CHIDAMBARAM : It is under consideration.

Idle Workers of NTC

*143. **SHRI B.L. SHARMA 'PREM' :** Will the Minister of TEXTILES be pleased to state :

(a) whether due to non-availability of working capital funds, the activities in the National Textile Corporation mills, particularly in Mumbai have been restricted to mostly on job work conversion and hardly any cloth is being produced there;

(b) whether workers of the NTC mills in Mumbai and other parts of the country are being paid idle wages and also the wages are not being paid in time;

(c) if so, the total number of idle workers, as on date, in these mills, State-wise; and

(d) the steps taken or being taken by the Government to make available working capital funds to the NTC mills so as to enable these mills to carry on their activities and engage workers on productive jobs?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) to (d). A statement is laid on the Table of the House.

STATEMENT

(a) to (c) On account of obsolete machinery due to lack of modernisation and acute shortage of working capital, there is under utilisation of capacity in NTC mills leading to fall in the production of cloth. Many mills including those located in Maharashtra have taken up job work for generation of internal resources. However, budgetary support is being provided by the Central Government to such mills affected by partial/complete cessation of activities for meeting the shortfall in payment of salaries and wages. The wages and salaries have been paid up to the month of May, 1996. While payment for the month of June, 1996 is in progress. A Statement indicating the present number of idle workers statewide is attached as Annexure.

(d) On account of continuous losses suffered by NTC mills and total net worth erosion, 8 out of 9 Subsidiary Corporations have been referred to BIFR which has declared them to be sick Industrial Companies. Government has approved a revised Turn Around Plan in 1995 for NTC mills, involving modernisation of 79 mills at a cost of Rs 2005.72 crores, restructuring of 36 unviable mills into 18 viable units, rationalisation of surplus workforce, etc. This plan is generally in line with the modernisation plans prepared by the Textile Research Associations. The funds for modernisation will be raised from sale of surplus lands and assets of NTC mills. The plan has been placed before the BIFR for their approval before implementation. Meanwhile to avoid any hardship to the workers, Government is meeting the shortfall faced by NTC mills in payment of wages and salaries.

ANNEXURE

Name of the State	No. of Idle workers
1	2
Delhi	737
Rajasthan	1586
Punjab	999

1	2
Madhya Pradesh	6011
Uttar Pradesh	11004
Maharashtra	24011
Gujarat	7906
Andhra Pradesh	2287
Karnataka	3797
West Bengal	4964
Assam	390
Orissa	465
Bihar	742

[Translation]

SHRI B.L. SHARMA 'PREM' : The Hon'ble Minister has given a very detailed statement wherein he has stated that the wages and salaries have been paid up to May, 1996. I would like to know as to when dues of the workers for the months of June and July 1996 would be paid to them. Besides, what is the total amount of loss suffered by NTC mills in 1995-96? This is my first supplementary question.

[English]

SHRI R.L. JALAPPA : Sir, it is disheartening to note that the total loss of the NTC (Interruptions) Sir, the working capital of the NTC is only Rs. 512 crore. The total loss as on 31.1.1996 is Rs. 4,678 crore (Interruptions). I am also agitated like you. I am not happy and something has to be done to put an end to these things. Out of my Budget of Rs. 800 crore, I am spending nearly Rs. 350 crore over these things. Only a small thing is left for other sectors like handlooms and powerlooms. By 2005, we are going to have de-control of all these things under GATT. So if our industries are not geared up to face global competition, I do not think that we will be getting so much of foreign exchange which we are now getting.

SHRI B.L. SHARMA 'PREM' : Sir, my second question has not been replied. When are you going to pay the dues of the workers for the months of June and July, 1996?

SHRI R.L. JALAPPA : Sir, They will be paid as early as possible. We are spending Rs. 235 crore every year towards payment of idle wages. We have already given wages up to May, 1996. As regards payment of June and July, we will arrange it as early as possible. We have already requested the Ministry of Finance to release more funds.

[Translation]

DR. SATYA NARAYAN JATIA : Mr. Deputy Speaker, Sir, Government has found in BIFR a convenient alibi to close down mills. As a result, textile mills in the country are being continuously closed and textile workers are being thrown out of employment in large numbers.

The workers of the textile mills in Ujjain are also being rendered jobless. I would like to know whether government propose to revive these mills by mobilising funds from the properties of these mills through BIFR. Government has been giving assurance to this effect since 1995 but nothing has been done so far in the matter. I would like to know from the Hon'ble Minister whether he has drawn up any time-bound programme for running these textile mills including those of the NTC.

[English]

SHRI R.L. JALAPPA : Sir, there was a tripartite agreement in 1994. As per that agreement, it was decided to spend Rs. 2005 crore over modernisation. It was also decided that funds will be generated by selling excess properties which are available in the country.

That proposal is before the Government and I am examining it. I assure this House that, as early as possible, I want to settle this issue.

MR. DEPUTY SPEAKER : What is the possibility? You are repeating it for the second time.

SHRI R.L. JALAPPA : I am examining it.

SHRI B.K. GADHVI : Sir, Ahmedabad was once upon a time called the Manchester of India. Now, a large number of mills have gone sick and they are closed. Some mills belong to NTC and some belong to the Gujarat Textile Corporation. BIFR was brought with a view to revive those sick industries and put them back on health. But unfortunately, because of the obstinacy of the financial institutions, the packages which are formulated in respect of all those cases which went to BIFR are not being implemented. Consequently, the mills are being closed; even the State Textile Corporation mills are being closed and NTC is also thinking of closure.

If this is the situation, then the Government has guaranteed in their Common Minimum Programme that they would be opening up new avenues for employment. Employment which is presently in existence is being blocked, stopped and obliterated from the scene. Then, how would they implement the Common Minimum Programme wherein they have given the assurance for providing employment? Therefore, since the hon. Finance Minister is also sitting here, I would like to know whether the Government of India would instruct the financial institutions like IDBI and other institutions to give a proper response and to adopt a positive approach to the packages which are being formulated by the BIFR and within what time frame.

SHRI R.L. JALAPPA : As far as the Gujarat State Textile Corporation is concerned, I am given to understand that already the BIFR has passed the orders for liquidation and it is in the High Court. As far as the NTC mills are concerned, it is going to be taken up in the month of October. (Interruptions) Let me answer the question. It is before the BIFR and they may take it up in the month of October.

[Translation]

SHRI THAWAR CHAND GEHLOT : Mr. Deputy Speaker, Sir, I would like to inform the Hon'ble Minister that in Madhya Pradesh, seven mills of the NTC and some other textile mills have been lying closed. About these mills, proposals for the implementation of a nationalisation scheme have been sent to the Central Government by the Madhya Pradesh Government, BIFR and NTC. The Central Government have started considering them under the revised Turn Around Plan. May I know from the Hon'ble Minister the names of these textile mills which have been chosen for being considered under the nationalisation scheme and what steps Government propose to take for the payment of the dues, including the benefits of Provident Fund of those workers of these mills, who are at present sitting idle?

[English]

SHRI R.L. JALAPPA : Sir, I am not having any information here about the names of Madhya Pradesh mills which were referred to BIFR.

[Translation]

SHRI THAWAR CHAND GEHLOT : Sir, these names are included in the list that he has furnished ... (Interruptions)

[English]

MR. DEPUTY SPEAKER : The Hon. Member says that the names are in the list.

[Translation]

SHRI THAWAR CHAND GEHLOT : The list of the workers of Madhya Pradesh has been given and the Central Government are considering cases under the Turn Round Plan. I would like to know the number of mills of Madhya Pradesh whose cases are being considered under the Turn Around Plan? ... (Interruptions)

JUSTICE GUMAN MAL LODHA : This question is over. Mr. Deputy Speaker, Sir, take the next one now. Five thousand workers are jobless... (Interruptions)

[English]

MR. DEPUTY SPEAKER : Have you got anything to say?

[Translation]

JUSTICE GUMAN MAL LODHA : He is not giving complete information. We want him to give complete information and that too promptly... (Interruptions)

[English]

MR. DEPUTY SPEAKER : Let him first reply to it.

SHRI R.L. JALAPPA : As far as Madhya Pradesh is concerned, about seven mills have been referred to BIFR.

[Translation]

JUSTICE GUMAN MAL LODHA : Five Thousand workers are jobless. The strike is going on ... (Interruptions)

MR. DEPUTY SPEAKER : I would request that one should come to the House after doing a little bit of homework. Shri P.R. Dasmunshi.

(Interruptions)

[English]

MR. DEPUTY SPEAKER : Let the hon. Member put the question first.

(Interruptions)

MR. DEPUTY SPEAKER : Let the hon. Member ask the question. Please sit down.

(Interruptions)

MR. DEPUTY SPEAKER : Please sit down. Let him ask the question.

SHRI P.R. DASMUNSI : I want to know from the hon. Minister whether it is a fact... (Interruptions)

[Translation]

I am on my legs. Why are you speaking? It is question hour and not zero hour. ... (Interruptions)

SHRI PRABHU DAYAL KATHERIA : He should come to the House after doing home-work. Now he is saying that this would not help.

MR. DEPUTY SPEAKER : Please let him give the reply.

(Interruptions)

[English]

SHRI P.R. DASMUNSI : I want to know from the hon. Minister whether it is a fact that Government of India headed by the late Shrimati Indira Gandhi and up to Shri Rajiv Gandhi made it a mandatory policy that all the *janata* cloth should be compulsorily manufactured by NTC and necessary support for the working capital in this regard including the modernisation package should be offered to NTC. In spite of that, it has not been done. That is number one.

The workers are not at fault. It is published in the newspapers also that the idle workers are not at fault. The raw materials are stolen in connivance with some senior top people of the mills from the largest mills in my constituency. I know it. They are made over deliberately to the sick mills. I want to know from the hon. Minister whether the Government will have in their Common Minimum Programme the provision to provide some kind of *janata* cloth to the people and make the NTC mills active by giving the necessary funds to further modernise and revive the mills once again. This is my submission... (Interruptions)

SHRI R.L. JALAPPA : Let me answer the question. This is a specific question. Some hon. Member was advising me to do my homework and come here. I thank him for the advice...*(Interruptions)*

MR. DEPUTY SPEAKER : Please sit down. Let the hon. Minister give his reply to the question.

(Interruptions)

SHRI R.L. JALAPPA : I thank the hon. Member for the suggestion. What is it that they want? Do they want me to reply or not?

[Translation]

SHRI RAM KRIPAL YADAV : You please listen.

SHRI MADHUKAR SARPOTDAR : I will listen only when you allow to give reply...*(Interruptions)*

MR. DEPUTY SPEAKER : The hon. Minister has not been able to give his reply properly. He should come after doing his home-work. I shall allow Half-an-hour discussion.

(Interruptions)

[English]

MR. DEPUTY SPEAKER : Please come prepared.

(Interruptions)

[Translation]

SHRI KASHIRAM RANA : Mr. Deputy Speaker, Sir, this question has not been replied. Therefore, please allow half-an-hour discussion.

[English]

SHRI R.L. JALAPPA : All right. I have no objection.

WRITTEN ANSWERS TO QUESTIONS

[Translation]

Debt Servicing

*144. SHRI RAMESHWAR PATIDAR :
SHRI PRAMOD MAHAJAN :

Will the Minister of FINANCE be pleased to state :

(a) whether during the current financial year approximately 30% of the debt is likely to be spent to meet debt servicing liabilities;

(b) if so, the details thereof; and

(c) the steps taken by the Government to reduce the debt burden?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). No, Sir. External debt service is estimated to go up to about US \$ 14.5 billion in 1996-97 from US \$ 12.6

billion in 1995-96. A precise projection of debt service is rendered difficult by movements in the cross rates between various currencies in which India's debt is denominated as well as by fluctuations in interest rates applicable to various loans. India's foreign debt was estimated to be US \$ 93.8 billion at end September 1995.

(c) A prudent debt management policy is being pursued to contain the growth of external debt and debt-service. As per World Bank classification, India is a moderately indebted country. Sustaining a high rate of growth of exports, encouraging non-debt creating capital inflows and keeping the maturity structure as well as the total amount of commercial debt under control are the major planks of our debt management policy.

[English]

Devaluation of Rupee

*145. SHRI JAGAT VIR SINGH DRONA : Will the Minister of FINANCE be pleased to state :

(a) whether there was 17% devaluation of rupee during the last one year;

(b) if so, the reasons therefor;

(c) the steps being taken to stop the devaluation of Rupee;

(d) the loss suffered by the Government due to this devaluation of rupee so far; and

(e) the steps taken or proposed to be taken to balance the loss incurred so far?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) The average exchange rate of the rupee for June 1996, compared to the corresponding average in June 1995, marked a depreciation of 10.2% against the US dollar, 7.2% against the Pound Sterling, 2.1% against the Deutsche Mark and 5.4% against the French Franc. However, over the same period, the rupee appreciated by 15.6% vis-a-vis the Japanese Yen.

(b) The exchange rate of the rupee is determined by the market forces of demand and supply. Under this system, the exchange rate moves in both directions in response to changes in underlying economic fundamentals, short term speculation and developments in the international currency markets.

(c) The exchange rate developments are monitored continuously both by the Government and the Reserve Bank of India. Measures are taken, as and when necessary, to maintain orderly market conditions as well as to ensure that the exchange rate of the rupee remains consistent with economic fundamentals.

(d) and (e). The development in the nominal exchange rate of the rupee during the past one year was a market correction for the appreciation of the rupee.