

cannot firmly say that this has been accepted because I am not in that position. I.D.C. and the planning commission as a whole - it is a national institution which decides this. And we have to wait till then. I appreciate that Orissa is a vast ocean of poverty and large number of tribals, scheduled caste and scheduled tribe people live there and it should be our national consensus to see that their conditions are alleviated and improved. There are no two opinions about it. But, at the same time, when we discuss a national issue we cannot discuss one State in isolation. There are other areas in the country which are equally poor. All these will have to be taken into consideration.

[Translation]

The poverty of the whole nation should be considered.

#### Closure of Unviable Public Sector Undertakings

\* 3. SHRI. K.H. MUNIYAPPA :  
SHRI HARADHAN ROY :

Will the PRIME MINISTER be pleased to state:

(a) whether the Union Government have decided to close down unviable Public Sector Undertakings;

(b) if so, the details of such unviable Undertakings; and

(c) the broad details of the policy of the Government in regard to unviable Undertakings?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI. P.K. THUNGON): (a) to (c) A Statement is laid on the Table of the House.

#### STATEMENT

(a), (b) and (c) :- Government have announced in the Industrial Policy State-

ment made on 24th July 1991 that Public Enterprises which are chronically sick and which are unlikely to be turned around will, for the formulation of revival/rehabilitation schemes, be referred to the Board for Industrial and Financial Reconstruction (BIFR) or other similar high level institutions created for the purpose. A social security mechanism will be created to protect the interests of workers likely to be affected by such rehabilitation packages. It has been decided to amend section 3(1) (d) of the Sick Industrial Companies (Special Provisions) Act, 1985 so as to include in its fold sick industrial public sector companies as defined within the meaning of section 617 of the Companies Act, 1956. Government have also announced setting up of a National Renewal Fund to take care of the interests of workers including those in the sick public sector enterprises. In resorting to these measures Government would consult the trade unions and all other interested groups in order to build consensus and minimise the adverse effect on workers.

SHRI. K.H. MUNIYAPPA : May I know from the Hon'ble Prime Minister whether the sick industries which are closed down will be reopened. If so, which are the industries which have been closed down and when those industries will be reopened particularly public undertaking in Karnataka?

SHRI. P.K. THUNGON: Sir, The Government have not yet decided to close down any specific unit. But the procedure to be followed is stated in the statement which I have laid on the Table of the House.

SHRI. K.H. MUNIYAPPA: There is a rumour to close down the Kolar Gold Mines. It would be a great injustice to the 11000 workers and also to their families. There is sufficient gold available. I want to know whether the Government will assure that the Kolar Gold Mines will not be closed in Karnataka.

SHRI. P.K. THUNGON: Sir, as I have already stated, at the moment, we do not have any proposal to close down any unit. so

far as the interests of the workers are concerned, we are very much interested in their welfare and we will certainly see that no workers are put on the road.

**SHRI. INDRAJIT GUPTA:** Sir, I would request the Government not to go on labouring under the impression that the Opposition, or the trade unions for that matter, are concerned only with probable adverse effect on the workers. We are equally well interested in the viability of the public sector as an indispensable component of the national economy. The statement which has been laid on the Table has got contradictory statements in it. It is mentioned here: "The public enterprises which are chronically sick and which are unlikely to be turned around..." that means they cannot be revived- "will, for the formulation of revival and rehabilitation schemes, be referred to the BIFR or other high level institutions". So, what the Minister has said just now is merely that the intention to close down unviable public sector establishments has not yet been worked out in terms of particular specific enterprises. But he has not said anything about the general policy intention which was declared by the Finance Minister of this country - not in this country but while he was abroad attending an important international conference in Bangkok. There he made a Statement which was widely reported, saying that those public sector industries which are chronically sick - by sick I presume they mean that the Balance Sheet shows that they are running in losses because that is the only way they measure the sickness - will be closed down. Now, what he has said here in the statement is something different and what he has said in his reply is also different. So, I want to know what is the general policy intention. My question is: Is it that the Government has decided without, at the moment, indicating any specific undertakings, that those public sector units whose balance sheets show in terms of cash losses that they are unviable, will be closed down? Which will be the specific units, that they will come to later on. So, I want to know what is the general policy intention which has been indicated and whether viability is to be measured only in terms of Profit and Loss Account, like any commercial

undertaking, or also in terms of the significance of that particular undertaking for the national economy. It may be running in losses for some particular reasons which must be gone into. Trade Unions are concerned not only with how adverse effects on the workers are to be avoided, Trade unions are also concerned to find out if any particular undertaking is showing losses, what is the reason for that, what are the factors responsible, how that can be rectified. Have they ever been taken into confidence on that? Never. So viability cannot be measured only by the Profit and Loss Account. Secondly, I want to know what is the policy intention, to close down or to revive and to rehabilitate as they say here. Please answer these.

**SHRI. P.K. THUNGNON:** Mr. Speaker, Sir, I am grateful for the question from the hon. senior Member, and most of the questions he has put, he has already replied to also. *(Interruptions)*. Let me express my opinion on this and let me reply. As far as the policy decision is concerned, in the statement of Industrial Policy, which was laid on the Table of this House on 24th July, it has been amply made clear that the public enterprises which are chronically sick and which are unlikely to be turned around, will, for the formulation of revival/rehabilitation schemes, be referred to the Board for industrial and Financial Reconstruction. What has been stated here is if a unit is economically not viable, it will be referred to BIFR. Please see the wording. It is said: "Public Enterprises which are chronically sick and which are unlikely to be turned around will, for the formulation of revival/rehabilitation schemes, be referred to the Board for Industrial and Financial Reconstruction (BIFR)". *(Interruptions)*

The purpose of referring to B.I.F.R. is to revive and formulate the further revival schemes and to go into the details as to how diversification etc. can also be suggested. Therefore,...*(Interruptions)*

**SHRI. SOMNATH CHATTERJEE:** What is this 'etc'? (*Interruptions*)

**SHRI P. K. THUNGON:** Therefore, as I have said, the hon. Member has given the reply himself in between the lines. I repeat that the reference to B.I.F.R. is for revival. The procedure of working of the B.I.F.R. is that they have enough....(*Interruption*), if you do not want the reply, how can I help? (*Interruptions*)

**SHRI. INDRAJIT GUPTA:** They want the stamp of B.I.F.R. on a proposal to liquidate some undertakings. They prefer to do it with the stamp of B.I.F.R. Is it so?

**SHRI. P. K. THUNGON:** As I was explaining earlier, we do not want or propose to close the units. But, for the purpose of revival, we will have to refer to certain expert body because we cannot carry on with having unviable and loss-making units. (*Interruptions*). Therefore, we will have to revive them. (*Interruptions*) That was the main issue I was saying. The procedure of B.I.F.R. is to formulate the revival scheme and do whatever is possible for revival or otherwise.

**SHRI. CHANDRA SHEKHAR:** Sir, my friend Shri. Indrajit Gupta has raised a most fundamental question. I do not expect this answer from the hon. Minister of Industry. Because he has said that the philosophy behind the public undertakings was that in certain vital matters a country of India's size and prestige cannot depend upon foreign source and that is why public undertakings were established in certain strategic areas. It is altogether a different matter that whether they are running in losses or making profits. The question that arises is when the hon. Finance Minister makes some statement outside the country, to assure the same forces against whom this measure was taken, it is a total diversion of our fundamental policy. It is not the question of B.I.F.R. It is a financial matter. The question is not a finan-

cial question. It is a strategic political question relating to the sovereignty, integrity and honour of this nation.

I want to know as to what is the attitude of the Government. Because doubts have been raised by the reported statement of the hon. Finance Minister which, he would have better, avoided. What was the necessity to make the statement in Bangkok? There was enough place in Delhi. He could have had some patience to wait for the day when he arrived in Delhi, instead of making the statement in the presence of the authorities of World Bank and I.M.F. Shri. Indrajit Gupta was referring to that fundamental issue. If the Government wants to share with us on this issue, it is welcome. Otherwise please do not answer. (*Interruptions*)

**SHRI. SOMNATH CHATTERJEE:** Who will answer? (*Interruptions*)

**SHRI. P. K. THUNGON:** There is no reason to become impatient. You are all senior Members. (*Interruptions*) I would like to say what Shri. Indrajit Gupta has said. Cash profit is not the only yardstick to measure the public undertakings. That is why I was repeating that there are units which are important so far as national integrity and nation's pride are concerned. Therefore, if such units are to be revived, we cannot go and revive them overnight. It has to be gone into in detail and that is how we want to approach.

And the second aspect which arose— I was not allowed to answer at that time because of lot of noise— was that a consensus view of all concerned including the workers' union will be taken into consideration while approaching, while taking all these steps, and they will be consulted. We do not want to just go out like a ball in a china shoup. We want to take the consensus, we want to consult all concerned because it is in the greater interest of the nation. Therefore, on

this score, I think the hon. Member can be rest assured.

**SHRI. LAL K. ADVANI:** Mr. Speaker, I am happy that the Finance Minister is here because this question obviously has been prompted by what the Finance Minister said at Bangkok and the answer does not meet it in a straightforward manner. The questioner has posed the question whether the Union Government has decided to close down the unviable public sector undertakings. And the answer is merely reading out what has been already said in the Industrial Policy Statement which we are all aware of. And I think that what Mr. Indrajit Ji or Chandra Shekhar Ji has said has a very great relevance if we are shifting the doctrine that has underscored our approach to the public sector undertakings in the preceding four decades. Let it be spelt out rather than we try to function in a manner as if the doctrine continues the same whereas the decisions are going to be different. Therefore, as what I said yesterday, I would like to know from the Government whether it is willing to bring forth a white paper on the performance and functioning of the public sector undertakings, which of them are viable, which of them are non-viable and then what does the Government propose to do about them, so that when decisions are taken, the entire House is taken into confidence as to whether there is a shift from the earlier policy or the earlier approach in the light of the experience gained till now or not.

**THE PRIME MINISTER (SHRI. P.V. NARASIMHA RAO):** Sir, I entirely agree that we must have a full and complete debate on public sector undertakings. These questions cannot be unravelled and answered during the question Hour. I would suggest, Sir, that we have a full discussion on this. I would like to have the benefit of the Members' views, suggestions, and we come out with what we really stand for. So we would like to have it preferably in the first week of

December; after I return from Caracas, we can have the discussion. (*Interruptions*). Meanwhile, before the discussion takes place, the Government will make available to the Members whatever material will be needed for having a meaningful discussion.

**SHRI. BASUDEB ACHARIA:** What about the Statement made by the Finance Minister? (*Interruptions*) He has contradicted. (*Interruptions*).

**MR. SPEAKER:** Please take your seats. Mr. Basudeb Acharia, now I think it is good on the part of the Government that the Government is ready to discuss this issue. We will fix up the discussion on this point.

(*Interruptions*)

**MR. SPEAKER:** Mr. Basudeb Acharia, Please sit down. As to when and how it has to be discussed, we will discuss in the Business Advisory Committee.

**SHRI. BASUDEB ACHARIA:** Already the Finance Minister had made a statement at Bangkok and the Government has not contradicted it (*Interruptions*). The finance Minister is here, he should clarify it. (*Interruptions*)

**SHRI. MURLI DEORA:** Up till now the record of BIFR shows that they have not been able to revive them. I would like to ask the hon. Minister what is the latest position about the National Renewal Fund which the Government propose to create for the workers.

**SHRI. P.K. THUNGO:** Sir, Various aspects are being worked out and processed.

**MR. SPEAKER:** Question Hour is over.