

**Purchase of Aero Engines**

471. MAJ. GEN. (RETD.)

BHUWAN CHANDRA KHANDURI : Will the PRIME MINISTER be pleased to state :

(a) whether the Government had purchased aero engines during the period 1983-1988, at a cost of Rs. 652 crores;

(b) whether over 60 percent of the engines failed prematurely even before 50 percent of the prescribed life;

(c) whether this purchase resulted in a large financial loss and also adversely effected the operational readiness of IAF;

(d) whether the Government have instituted any enquiry into the matter;

(e) if so, the reasons therefor;

(f) whether the Government have been fully compensated from the seller of these engines; and

(g) if so, the reasons thereof and the efforts made to penalise the seller in terms of Government to Government interaction and banning future dealings with the firm (s)?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI MALLIKARJUN) : (a) Yes, Sir.

(b) About 60% of the engines had to be withdrawn for modifications, which were undertaken by the supplier free of charge.

(c) No, Sir.

(d) to (g). Do not arise.

**Cachar Paper Mill**

472. SHRIDWARAKANATH DAS

: Will the PRIME MINISTER be pleased to state :

(a) whether the Government propose to privatise the Cachar Paper Mill in Assam;

(b) if so, the reasons therefor;

(c) the manner in which the Government propose to rehabilitate/compensate the employees of this mill; and

(d) the steps taken so far to make it viable ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF INDUSTRIAL DEVELOPMENT AND DEPARTMENT OF HEAVY INDUSTRY) (SHRIMATI KRISHNA SAH) : (a) to (d). The Cachar Paper Mills and Nagaon Paper Mills of Hindustan Paper Corporation Ltd. are incurring losses since inception. The Government has, for sometime, been examining various alternatives for making them viable i.e. restructuring, feasibility of making them over to private sector etc. For this purpose, the assistance of SBI Capital Markets Ltd. has been sought and they have released an advertisement on 18.4.1994 inviting expressions of interest in this regard. Any decision on the future of the two mills will be taken, taking into account all relevant aspects including the interest of the employees as per law.

**Panchayati Raj Programme**

473. SHRI HARISH NARAYAN PRABHU ZANTYE : Will the PRIME MINISTER be pleased to state :