

15.30 hrs.

**RESOLUTION RE : PRIVATISATION OF**

**CENTRAL PUBLIC SECTOR UNDERTAKINGS – Contd.**

**Title :** Further discussion on the resolution regarding privatisation of central public sector undertakings in the country, especially the Cochin Shipyard Limited, Fertilizers and Chemicals Travancore Limited; and the Hindustan Newsprint Limited in Kerala. (Discussion concluded and resolution withdrawn).

**MR. CHAIRMAN :** Before further discussion on the Resolution regarding Privatisation of the Central Public Sector Undertakings moved by Shri Suresh Kurup is resumed, I would like to mention that the time allotted for the discussion has already been exhausted. Is it the pleasure of the House that time for this Resolution be extended by half an hour?

**SOME HON. MEMBERS:** Yes.

**MR. CHAIRMAN:** The time is extended by half an hour. Shri Sudarsana Natchiappan.

**SHRI E.M. SUDARSANA NATCHIAPPAN (SIVAGANGA):** Sir, I rise to support this Resolution as this is on an issue which is very important for the country at this juncture.

Globalisation can be accepted by our Indian business people. At the same time, the Government of India has certain social obligations which have to be discharged. For example, regulating supply, demand and prices; and giving job opportunities to the downtrodden people and rural folks.

During the time of Pandit Nehru, the Central Government took over a lot of industrial enterprises. They were directly run by the Government of India. The State Governments also followed that policy. At that time, the private sector was not in a position to compete with the global companies and enrich their technology in order to meet the needs of the people. During that time, the Government of India utilised its resources for building up very important sectors, especially for production and regulating steel and mining products, and chemicals.

Subsequently, the Government entered into consumer sector also. There is no doubt that at this juncture when there is a lot of competition around the world to meet local as also international demands, Government of India need not invest its time and money on that activity. However, we are not developed to that extent to cope with the other market economies.

European countries and the United States of America began with privatisation and are now going in for regulation. But we began with public sector and are now allowing the private sector to create a mixed economy, which was the policy of Pandit Nehru initially. Subsequently, during the times of Indira Gandhi and Rajiv Gandhi also we allowed the private sector to grow with high standards in meeting the needs of the people. There is no doubt that the same people who are living in India are going to be employed in both public sector and private sector. The only difference is the work culture. We are now entirely following Western culture leaving aside our own Indian culture of managing the institutions.

Public sector is burdened with a lot of liabilities. The public sector banks have ended up with huge NPAs amounting to about Rs.22,000 crore. However, the service rendered by these public sector banks and other public sector enterprises, cannot ever be compensated by any private sector institution.

The private sector is interested only in earning profits. They want to compete with the other private sector concerns in earning higher profits. They do not have any social obligations to fulfil. Hon. Minister, Shri Arun Shourie brought in many laws to ensure that some social obligation is imposed on the telecom industry. However, he himself said in Parliament that these obligations are to be taken care of by the Government also. Universal obligation is now imposed by the Government on the telecom sector. Otherwise, people who are living in the rural areas cannot have WLL facility or other modern communication facilities which are available in the cities.

The private sector is not at all having the ambition to go to the rural sector and have their profit reduced.

Therefore, be it public sector or the private sector, the only difference is by management and nothing more than that. If the management is proper, if the management is professionally held, then a public sector will also be successful.

Sir, about *Navratnas*, it was proclaimed by this Parliament that they have got so much of profit for the Exchequer. But now, we are disinvesting *Navratnas* also. The VSNL has already gone for disinvestment. The BSNL is also being talked about. So, the entire Indian wealth is now going into the hands of some brokers, some people who are not interested in our nation's welfare.

Therefore, I request that this professional management needs to be looked into properly. We are enacting the laws even after globalisation. But we find that the bureaucratic control is more in the public sector. Whenever they want to have a regulation or a management of a particular thing, the Government officials, who are on the verge of retirement, want to have a very good fall back to become the chairman of a concern or a director of a concern so that they can have another life of five to six years. But on the other hand, if you allow the professionally well-

equipped people to man as the chairmen of the public sector undertakings, we would find the profit going up. At the same time, they would protect the interests of the employees also.

Now, we are seeing that the employees are being thrown away. They are asked to go on VRS. They are asked to go out on various reasons. The people who were earning Rs. 10,000 a month as salary in the National Textile Corporation Mill are now unemployed. About 120 mills out of 140 mills are now closed down just because of privatisation on the ground that they are not running properly. But who is responsible for all this? We are responsible of all this. The management is responsible for it. If they were having the professional management, knowing the market sentiments, they could manage. So, there is a need to have professional management. Many of the industrial areas which are now controlled by us are doing well. Even BSNL is now competing with hundreds of companies. Even the multinational companies are competing with the BSNL. They are earning profits and servicing the nation.

So, when the BSNL can exist on its own, when the Neyveli Lignite Corporation can exist on its own, why could the Salem Steel Plant not exit, why could the Salem Magnacite Corporation not exist and why could the Photo Film Corporation in Ooty not exist? They are allowed to go on debt. Why? It is because of their mismanagement.

Therefore, the main thing for their failure just mismanagement. It is only the mismanagement. It does not matter whether it is a public sector or a private sector. It is the proper management which matters the most. Many of the private sector companies are going on bankruptcy. They are running away.

One day they are publishing hundreds of advertisement and then after a year or so, after earning the profit, they are diverting the money, siphoning it to their families and other concerns, and then vanishing from this country. Who is going to protect the shareholders? There are plenty of such people who have invested on shareholdings. It is mostly the middle-class people and the pensioners who have invested in such companies. But now, they are helpless, as the companies have vanished. In this regard, I have received a lot of petitions wherein it is said that the poor people who had invested, did not get any dividend or anything because a private sector company has closed down its industry. But who is responsible for it? It is only the mismanagement.

So, the most important thing is to have proper management. Who has to manage it? It is the same Indian people who have to manage it. They should be given more responsibilities with more professional touch. They should be given proper training. That is the main difference which counts. It hardly matters whether it is a private sector or a public sector.

Therefore, I request that this Resolution should be accepted as it is, so that, at least, the companies which are not disinvested and which are following the rules, can be protected.

The people from the rural areas having a graduation and post-graduation in the professional field should be given the job so that they could compete with the other people. They can improve their performance and come to the managing director level, director level, and show the profits. But why should there not be some funds provided by the Government? I am not saying that the Budget allocation should be given there. We can give the responsibility and accountability to the managing director in the board of control to see that the profit should be there.

I even suggested in some debates that our scientific laboratories like the Central Research Laboratory should come forward with all these things. They should earn and they should look after their own affairs. They should not go to others for funds; they should not ask for the funds from the Government of India. They should have their own minds and they should compete with other people. But it should be the property of the nation and the property of the nation should not be looted like this. It should be protected in the interests of the future generation. The market economy may fail, but the public sector will remain for ever, protecting the interests of Indian culture and the Indian people.

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): Sir, we have had a very informative discussion on Shri Suresh Kurup's Resolution. I am sorry that I was not present here on the last occasion when this matter came up because I had been deputed to go to Geneva for some Summit.

I have been through the record very carefully and the discussion has indeed been a very comprehensive one and I am very thankful to the Members who have made important points in this regard over two sittings. One was, as Shri Sudarsana Natchiappan was mentioning, on the general policy. The points that have been made are usual ones – on transparency, on the results as to whether there have been any good results from the companies which had already been privatised, etc. The third point was on the interests of labour. Important points were made about VRS and job losses, whether evaluation has been proper, etc.

Then, on the specific enterprises, almost every Member from Kerala had been very much concerned. The specific enterprises from Kerala are Cochin Shipyard Limited, Fertilizers and Chemicals Travancore Limited and the Hindustan Newsprint Limited. These were mentioned in the text of the Resolution itself and they have again been mentioned during the course of the debate with great passion by Prof. Premajam and others.

Actually they have not only given good arguments, but they have also said that the people of Kerala are very emotionally attached to these enterprises and they must be protected. It has been said that IFFCO and KRIBHCO, for instance, are eager to take over FACT, and a strong assertion was made that the Kerala Government had not been kept informed and that national security is involved as in the case of Cochin Shipyard.

I will deal with these points only because of shortage of time very hurriedly. I will deal with three or four general points which have been made including the important points which have just now been made, starting from Panditji's time, up to these specific cases of the three enterprises which had been mentioned throughout the debate. The purpose of this whole exercise is to unleash the productive potential, which is admittedly inherent in the units that Panditji envisaged as 'the temples of modern India'.

The interests of the workers are a primary consideration in the minds of every Member of the House including the Members of the Government. This is what is happening in fact. I will just give you one figure. In these last five years, an amount of Rs.14,000 crore has been raised from disinvestment, from 34 concerns. If you put this amount of Rs.14,000 crore just at 10 per cent interest, we would get every year, in perpetuity, Rs.1400 crore per year. Now, if we see the average dividend which was being received from these 34 enterprises, it was Rs.50 crore a year. So, for all these social obligations that you want to be met, you would today be getting Rs.1350 crore a year extra. This will be used for meeting all those social obligations that we are all concerned about.

More importantly, the production and sale from these enterprises have gone up from 20 per cent to 250 per cent per enterprise. This increased production or this increased sale cannot but be helping the country.

Similarly, you were very concerned and other Members have also expressed great concern on the interest of labour. It will surprise the Members to know that wages and allowances in all these enterprises have gone up by 25 per cent to 30 per cent. In many of these enterprises, no wage revisions had taken place since 1997 because of Government's rules, which you know say that if an enterprise is loss making, wage revision cannot be done. Now within 30 days of the privatisation of these companies, wage revisions have been done with retrospective effect. We have ensured it. As regards allowances, I can read out the allowances. Seven to eight allowances per enterprise which had been discontinued have been restored.

The hon. Member just mentioned National Textile Corporation. You are right that these were envisaged in one way but probably I am sure you know that of the 129 mills, only 25 were working to capacity. If they are made more productive, is it a national loss? I was myself astonished when I was in charge of the Ministry of Planning to learn that Rs.700 crore were being spent every year by the Government to pay wages of workers whose factories are closed. That is no way to maintain jobs. You mentioned the Salem Steel Plant and the Hindustan Photo Films. There is a history of 20 to 30 years of these enterprises that in spite of Governments having changed – Rajiv Gandhi Government had come and Narasimha Rao Government had come and there had been wonderful Finance Ministers like Dr. Manmohan Singh – but the enterprises have continued to deteriorate. You mentioned that the only thing that matters is the difference in management culture. That is precisely the point. One of the big enterprises speaking about a big industrial house said that 40 per cent of their senior management was taken from public sector. But the same fellows working in governmental enterprises are completely unaccountable. But when they go else where, they have to perform. That is the big difference and this is independent of any Government. No Government is able to enforce that kind of accountability. I will give you the example only of Hindustan Photo Films because the Members from Tamil Nadu are always very concerned about Hindustan Photo Films at Ooty. Our learned Members will know I think in 1992 – I am speaking from memory so I am subject to correction – the expansion plan was supposed to cost around Rs.130 crore but it cost probably Rs.800 crore to Rs.900 crore. The CBI cases were registered in 1992 but till today, there is no prosecution and conviction. That is the condition.

As regards BALCO, we had such a heated debate in this House. You know so well that the essence in aluminium production is bauxite and power. Taking a decision to set up a captive power plant in BALCO took seven years' time. This Government was not in office at that time. The other two Governments were in office. I do not want to say who were they. Shri Jogi who opposed the privatisation of BALCO and said that this is Rs.5000 crore worth later said that BALCO's privatisation is scripting the success of Chhattisgarh. This is a good thing for you to remember that when people mislead the facts, this is what happens. The production is being expanded from one lakh tonne to four lakh tonne. Four times expansion is there.

The same thing is there on the question of employment. You made the correct point which is the heart of the matter that the firms have to be efficient. Now you look at the period in the public sector from 1991-92 to 1999. Before this kind of privatisation began, public sector employment decreased from 2.18 million to 1.80 million. There was no

privatisation or disinvestment. It was because the firms were becoming progressively less competitive. Therefore, the only way to safeguard jobs is investment in enterprises as is now taking place, and upgradation of technology and products that is happening in BALCO. In the case of ITI, many Members of this House had come to me including the Members from Kerala and said that please save it somehow.

The position in the Rae Bareilly plant is that they are producing vintage quality switches of the 1960s and 1970s. It would have become a sick enterprise last year but the fact is that we took out Rs. 20 crore from VSNL and we forced the VSNL to put it there. They protested saying that their money was being destroyed. But we asked them to save this plant. MTNL, which did not want that equipment, but we asked them to put in Rs. 100 crore. We gave them advanced money for orders. But technological upgradation has not taken place, investment has not taken place because of, what you mentioned, the management culture. You will see now a physical evidence of this in enterprise after enterprise whichever has come up for privatisation; investment is coming. One may just take five minutes to walk into these hotels. I was astonished to see that half of the rooms in the Kanishka Hotel and in the Ashok Yatri Niwas has become unliveable. Nothing was being done. Now one would see that everything is being renovated. If any one of you happen to pass by the Centaur hotel in Mumbai, you would find that it is being renovated. In Centaur hotel, Delhi, the occupation percentage is only three per cent. It is because privatisation could not take place. It is precisely because of the management culture. Hon. Members who spoke mentioned about VSNL

Sir, Member after Member has come up to me complaining about a shortage of copper cable and requested me to make available copper cables. One of the reasons for the shortage of copper cable was that there was a purchase preference given to Hindustan Cable, a public sector enterprise last year. I was astonished that they fulfilled the order precisely one year late. What was the result? You could not have fired anybody. You could not hold anybody accountable. Shri Basudeb Acharia came to me and many other learned Members also came to me. The VSNL was not able to fulfil its obligation which Members wanted to be fulfilled because of the management culture in Hindustan Cables and it is a culture that transcends all Governments. It is because Government after Government has come; the State Governments are running many enterprises, but the result is the same.

Sir, I can give figures on VRS also and similarly on employment as well. But the short point is that it is only by unleashing the productive capacity in these enterprises, by inviting more investment in them and by technological upgradation and making them more competitive that their jobs could be safeguarded and these can be kept going.

SHRIMATI RENUKA CHOWDHURY (KHAMMAM): Sir, I would like to remind the hon. Minister of a company, namely, M/s Sponge and Iron India that is in the district that I represent in Parliament. It was a flagship industry which was set up by the late Biju Pattnaik and it had come up for disinvestment. I had come with my labours and the hon. Minister was kind enough to then see that the industry did not come for disinvestment and quite honestly at that time there were no takers for it and that is why it got saved, as I should say, from being disinvested. While everything was nice and rosy about privatisation and that we encourage entrepreneurship of this kind, what really happened was that there was a holistic change, a sea change in the mindset in India's perception in taking a quantum leap in the future that was heralded by Shri P.V.Narasimha Rao, who realised that India has to become competitive.

So, it was an integral change that established the atmosphere for this kind of a thing. I am happy to tell the hon. Members on the floor of the House today that M/s Sponge and Iron India, after we met the hon. Minister and sat with the management, have been turned around from going into red. It is now nice and rosy and my workers are still employed. Today the sponge market in the world has gone up and it is a happy success story.

SHRI ARUN SHOURIE: It is a very good point. When all of us work together things can be improved. But I may remind you here – I know a little about the steel industry – that steel is a cyclical industry. In the last one and half years, all steel and iron ore things are coming up.

I just hope that, with the good efforts that you and the workers have put in, because of this fright of disinvestment, it will continue to yield good results, as you have already ensured. But may I just mention a point in that context? When such an enterprise turns around, actually we should awaken ourselves as to what has happened to its past. Secondly, if you do not catch it at that moment, that moment will again fritter away. In this debate also, the question was put as to why the profit-making companies are being sold. The fact of the matter is this. You just now gave the example of VSNL. I am again speaking only from my memory. My memory says that three years ago, VSNL profits were Rs. 1500 crore per year. Why? It is because it had a monopoly. When the monopoly was taken away and other international gateways were allowed, its profits this year, even after investments and new management culture of the Tatas and others, may not even be Rs. 55 crores and Government owns still 26 per cent. It is because monopoly went. We have seen now and I know the pressures in many of the enterprises like MTNL and BSNL. We have seen how we are trying to save them just because there is competition now. Members in this House have been saying as to why is BSNL losing customers in fixed lines. It is because there is competition. So, if

we delay it and wait for enterprises to come into difficulties, then we will really be ensuring their closure.

SHRI E.M. SUDARSANA NATCHIAPPAN : WLL instrument should be available. But when the hon. Minister had replied, he told that the tender could not be opened. That is mismanagement. Since cables were not available, that led to mismanagement. Otherwise, BSNL will be a profit-making company.....(*Interruptions*)

SHRI ARUN SHOURIE: I would love to have a debate on telecom. But this debate is on disinvestment.....(*Interruptions*) I will just give an example. One other important point to remember is regarding the period between 1991-92 and 1999-2000. You keep saying that we keep on selling profit-making companies. At that time, 37 companies were disinvested. Of them, only two were loss-making companies and 35 were profit-making companies. After 2000, you were in power then. So, please remember that of the 37, only two were loss-making. Now, of the 34 companies which have been disinvested, 26 have been loss-making and 8 are profit-making. So, your charge fits somebody else.

**समापति महोदय :** इस विषय पर आधे घंटे का समय बढ़ाया गया था। अभी माननीय मंत्री महोदय अपना उत्तर पूरा कर रहे हैं। मैं सदन की सहमति चाहूंगा कि जब तक उत्तर पूरा हो, इस संकल्प पर चर्चा का समय, तब तक के लिए बढ़ा दिया जाए।

**श्री अरुण शौरी :** धन्यवाद सर। मैं एक पाइंट इसमें और अर्ज कर दूँ कि स्टेट गवर्नमेंट्स भी आज वही कर रही हैं। आज आप अपोज कर रहे हो जो आपने अपने खुद के समय में किया। मैं आपको आज की बात भी बतला दूँ। पंजाब में आपकी सरकार है। पंजाब ट्रैक्टर इंडिया दूसरी बड़ी ट्रैक्टर उत्पादक कंपनी थी, प्रॉफिट मैकिंग कंपनी थी जो डिस-इंवेस्ट की गयी। किसको की गयी? पूरी तरह से विदेशी कंपनी कॉमनवैल्थ डेवलपमेंट कोरपोरेशन को दे दी गयी। इस बात को चार-पांच महीने ही हुए हैं। आप वहां करें तो सब ठीक, हम यहां करें तो ठीक नहीं। दूसरी बात यह है कि क्या हम तब तक इंतजार करें जब कोई लेने वाला न हो। सेलम स्टील प्लांट की या हिंदुस्तान फोटो फिल्म की हालत क्या हो गयी। सरकार की कोशिश के बाद भी सेलम का आज कोई खरीददार नहीं है। मैं उस ग्रुप ऑफ मिनिस्टर में हूँ जिसमें कहा जाता है कि इसके बारे में कुछ करो। The same thing is in regard to almost about 12 cases. We had to return to the Ministry of Heavy Industries saying that, after an attempt of one-and-a-half to two years, we could not find a single person who wants to take these up. मध्य प्रदेश में है, लखनऊ में है, हिंदुस्तान स्कूटर वगैरह Nobody wants them. So, please do not wait till the enterprises come to that stage.

I will just mention a few facts about the three enterprises which have been of a great concern for our hon. Members from Kerala.

**16.00 hrs.**

Then I will just complete with one small and respectful suggestion for the House. Three enterprises have been mentioned by almost every Member. They are, Fertilizer and Chemicals Travancore, Cochin Shipyard and Hindustan Newsprint. Precisely because the Members are, as Professor said, emotionally attached to these enterprises, I would beseech them to please remember this particular fact. In the case of FACT, this is actually a Company that has been in distress for many years. In 1997-98, it earned a profit of Rs. 54 crore; next year it incurred a loss of Rs. 48 crore; next year it incurred a loss of Rs. 40 year. Then in 2001-02, it was falling into the BIFR's hands as a sick company. So, immediately the Government has waived off the interest of Rs. 167 crore which this Company was not able to pay. So, a profit of Rs. 60 lakh could be shown and its networth could be saved from becoming negative. Then in 2002-03, in spite of that, again the loss was reported to be about Rs. 199 crore. Now, for this particular reason, again attempts had been made by the Government to waive off the interest. In March 2002 we suggested waiving off the outstanding interest of Rs. 227 crore and moratorium on repayment of principal and penal interest which was Rs. 378 crore. Only in that way have we been able to keep it out of the BIFR's hands and make sure that its networth does not become negative.

It was referred to the Disinvestment Commission, not by this Government. It was done in 1996. You please point out which Government was there at that time. Then, Members have said, I think, under the mistaken impression and letters have come to me from the high authorities of Kerala saying that multi-State cooperative companies, IFFCO and KRIBHCO want to take over this Company; so, please allow that; please pursue that. Members have mentioned it. The Chief Minister had written to me. The Minister of Cooperation and Ports, Shri M. V. Raghavan has written to me. But what is the fact? The fact is that because of those representations, the entire process which was being completed was started again on 23.12.2002. The Cabinet revised its decision saying that multi-State cooperative companies under the Department of Fertilizer should be allowed to participate in this disinvestment, even though they had not filed Expressions of Interest. We did something contrary to the usual practice and contrary to the ruling of the courts, suspending the process which was going well so that we can allow KRIBHCO and IFFCO to participate. What is the result? The whole advertisements were done again; the whole process had begun again. Neither the IFFCO nor the KRIBHCO at any stage of process had expressed their slightest interest in this plant. So, that is the position.

It was also said by hon. Members that the Government of Kerala is interested in taking it up. I have gone through letter after letter. There has been no specific proposal from the Government of Kerala that they would take it up.

In the case of Cochin Shipyard, no decision has been taken yet. I will just mention the basic fact to the interest of

the hon. Members. The capacity utilisation in this Shipyard is only 37 to 40 per cent. Indian companies owning ships take their ships for repair to Colombo and Dubai rather than to Cochin Shipyard. I will tell you why it is so. Almost fifty per cent of the repair turnover of Colombo Port, I am told, is from the Indian companies. They are taking their ships to Colombo. The reason for that is lower productivity here. If you take the man hours per Dead Weight Tonnage, in Korea it is 4.3.

In Japan, it is 6.2. In Cochin Shipyard it is 20 to 25. The labour cost in Kochi is 21 per cent of the operating income and in Korea it is 11 to 13 per cent. Today also, the order book is very poor. Till 1993-94, its accumulated losses had become Rs. 191 crore and therefore, just to save it, the Government waived of interest to the tune of Rs. 137 crore. The outstanding loan of Rs. 120 crore was converted into non-cumulative preference shares and that is how the networth remained positive.

Now, it has been said that it is a matter of security because Defence installations are involved. I can assure the House with full responsibility that the whole thing has been done in consultation with the Ministry of Defence. They wrote to us and we reported to the Cabinet that they are, in principle, in agreement with this disinvestment. Secondly, they have no objection to private parties doing the work presently being done by Cochin Shipyard. Thirdly, neither the Ministry of Defence nor the Indian Navy wants to retain any facility at the Shipyard. Fourthly, they said that foreign participation, if it comes in, must be limited to 26 per cent or less. They gave us a list of 22 security clauses like non-disclosure and so on to be followed, which are applicable to every private company, even 100 per cent privately-owned Indian company which is doing Defence work. All those things have been built into the shareholders' agreement and the Government decided, in accordance with the wishes of the Defence Ministry, that if there is any foreign participation it would be limited to 25 per cent.

Sir, finally I would like to say a few words about the Hindustan Newsprint Limited. As you know, this is a wholly owned subsidiary of Hindustan Paper Corporation. It is under the Ministry of Heavy Industries and they handle it. Its profits keep going up and down. Last year, since the import duty on newsprint was lowered, this company incurred a loss of Rs. 4.89 crore and this process of disinvestment has been going on for four years now. A very serious point was made by Members that this process has been done without the knowledge of the Government of Kerala. That would be a very serious dereliction on our part.

The fact of the matter is that two senior officers of the Government of Kerala are on the board of this company. So, it cannot be said that they did not know. Those two officers are the Principal Secretary of Industries and Principal Secretary of Forests. The two officers are there and they participate in every meeting. More than that, it so happens that this is a company which is wholly owned by another public sector unit called, Hindustan Paper Corporation. So, the lease was in the name of Hindustan Paper Corporation. We had to get it transferred to Hindustan Newsprint Limited. That also was done by the Government of Kerala.

Above all, Shri Subodh Mohite, from the Ministry of Heavy Industries, wrote letters specifically to the Principal Secretary of Industries of the Government of Kerala on 21<sup>st</sup> January, 2002, 15<sup>th</sup> May, 2003 and 16<sup>th</sup> January, 2004. So, everybody has been kept informed on this and we should not wait for this enterprise to become sick.

SHRI SURESH KURUP (KOTTAYAM): Mr. Chairman, Sir, if the Minister yields for a minute, I would like to ask a small clarification.

More than 3,500 acres of forest land was given to this public sector undertaking. If this company is privatised, then the Government of Kerala may not be willing to give this benefit to a private enterprise. So, what is the position of the Government on this?

SHRI ARUN SHOURIE: Actually, in this regard, Shri Sobodh Mohite has written to Shri Muralidharan, M.P., and also, probably, to the Chief Minister of Kerala, in which he has stated as follows:

"I am informed that the agreement dated the 7<sup>th</sup> October, 1977 was executed between the Government of Kerala and the Hindustan Paper Corporation which dealt with the supply of raw materials to Kerala newsprint project for 30 years."

Now if it so happens that the Government wants to go back on its commitment to that agreement - all agreements, as you know, under law are passed on to the successor - and if it does not want to do it, it will be harming the interests both of newsprint production and of the workers who are working in that unit. But that is for the Government of Kerala and for others to decide. I do not want to plead the case of it. But this will be surely ensuring the closure of the unit if such a step were taken.

I, therefore, have just one plea in the end. I entirely agree with this point that was made that the public sector has made a very great contribution to put in. It has become the springboard, on the basis of which India has stood up. At

that time, in the early 50s, it was one of the great sights of vision of Panditji, Prof. Mahalanobis and others that when our private enterprise was not strong enough, they said: "We will take on this production." That gave us the muscle to stand up. But times change and other parts of society are to be creative. The Government has other responsibilities. It should be doing great infrastructure projects: roads, ports, Prime Minister's highways, rural roads, interlinking of rivers. All these things are where Government's organisational abilities and fiscal resources should be concentrated. So, I am not at all undermining the role of Government and of public enterprise in what it should be doing.

SHRIMATI RENUKA CHOWDHURY : We have so much unemployment.

SHRI ARUN SHOURIE: Employment will come only by these companies being productive and competitive. There is a consensus in practice in this regard all over the country. I will just mention that in Punjab, the Government is pursuing this policy. In West Bengal, it is pursuing it. Their Cabinet has decided to close and privatise 14 units. They just call it 'formation of joint ventures' and not 'disinvestment'. The Government of Andhra Pradesh is doing it. The Government of Karnataka is doing it. The Congress Government in Madhya Pradesh at that time took a loan of Rs. 100 crore from the Asian Development Bank for beginning the process of privatisation because they did not have the money for VRS. Then, the Government of Chhatisgarh, not by the Government headed by Dr. Raman Singh but the previous one, is doing this in 35 companies. It has been done. The Government of Kerala sent a mission led by the Chief Secretary, as far as I remember, to Asian Development Bank for discussions on raising the resources for beginning the entire process. So, there is a consensus in practice. I believe that we should all work together for maximising production for expansion of capacity in these things. In these enterprises, that is the way the jobs will remain secure. Therefore, the country will become competitive.

I assure Shri Kurup and other Members that their concerns in regard to labour are the Government's concerns. Therefore, I would request him to please believe us that his Resolution is something that we would keep in mind. But it is not necessary to press it for voting.

SHRI SURESH KURUP : Now the country is going for the elections. Will you stop all the procedure of privatisation till the elections are over? ...*(Interruptions)*

MR. CHAIRMAN : Now, Shri Ram Vilas Paswan will speak.

**श्री राम विलास पासवान (हाजीपुर)** : सभापति महोदय, प्राइवेटाइजेशन का जो मुद्दा है, उसका अधिकांश सदस्य, इस पक्ष और उस पक्ष के, विरोध कर रहे हैं। चूंकि सरकार एक यूनिट है, हम लोग सरकार से बार बार इसी प्रश्न को पूछते हैं और कल हमने मुम्बई में बड़ी भारी तादाद में गिरफ्तारी भी दी। प्राइवेट सैक्टर से जो सबसे ज्यादा लॉस हो रहा है, वह शैड्यूल्ड कास्ट्स और शैड्यूल्ड ट्राइब्स को हो रहा है और बैकवर्ड क्लासेज को हो रहा है चूंकि रिजर्वेशन उसमें खत्म हो गए हैं। प्रधान मंत्री ने कुछ दिन पहले कहा था कि मैं इस बात से सहमत हूँ कि प्राइवेट सैक्टर में भी आरक्षण होना चाहिए। क्या प्रधान मंत्री ने जो घोणा की है उस संबंध में सरकार ने कोई मामला आगे बढ़ाने का काम किया है? दूसरी बात यह है कि जो संस्थाएं आप बेच रहे हैं, या जो पैसा जमा हो रहा है, इसमें से आप कुछ राशि जो शैड्यूल्ड कास्ट्स और ट्राइब्स या बिलो पावर्टी लाइन किसी भी कास्ट का हो, उनकी ट्रेनिंग के लिए, इंफ्लॉयमेंट जनरेशन के लिए, उसमें रखने जा रहे हैं जिससे वे प्राइवेट सैक्टर में कंपीट कर सकें, क्योंकि प्राइवेट सैक्टर में कंपीटीशन होगा, उसको कंपीट करने के लिए क्या कुछ राशि उनकी ट्रेनिंग और इनफ्रास्ट्रक्चर हेतु रखने जा रहे हैं? सरकार क्या प्राइवेट सैक्टर में आरक्षण का प्रावधान करेगी, जिसके बारे में प्रधान मंत्री ने घोणा की कि हम इससे सहमत हैं?

महोदय, जब प्रधान मंत्री जी सहमत हैं, अपोजीशन सहमत है, तो इसके बीच में बाधा कहां है ? पार्लियामेंट अभी तीन-चार दिन तक और है। इसलिए मेरा निवेदन है कि सरकार तमाम पोलिटिकल पार्टीज के लीडर्स को बुलाकर एक बैठक करे और इसी पार्लियामेंट के सत्र में इस बारे में कोई निर्णय ले। क्या सरकार ऐसा करना चाहती है या नहीं, मैं यही पूछना चाहता हूँ ?

MR. CHAIRMAN : Now, Shri Shivraj V. Patil.

...*(Interruptions)*

MR. CHAIRMAN: Shri Ramdas Athawale, please take your seat. I have already called Shri Shivraj Patil. I will allow you after him.

**श्री रामदास आठवले (पंढरपुर)** : सभापति जी, जो सवाल श्री राम विलास पासवान जी ने उठाया है, मैं उसका समर्थन करता हूँ। प्रधान मंत्री जी ने प्राइवेट उद्योगों में रिजर्वेशन देने की बात कही है। जिन सरकारी उद्योगों का प्राइवेटाइजेशन हो रहा है या प्राइवेटाइजेशन करने का निर्णय सरकार ले रही है, उनमें तो कम से कम रिजर्वेशन करने का निर्णय सरकार को लेना ही चाहिए और यदि सभी प्राइवेट उद्योगों में रिजर्वेशन करने की बात कही गई है, तो इस पर आपको विचार करना चाहिए।

MR. CHAIRMAN: Shri Ram Vilas Paswan has already mentioned it.

SHRI SHIVRAJ V. PATIL (LATUR): Sir, probably this is the last opportunity in the Thirteenth Lok Sabha to discuss this issue. At the beginning itself, I would like to say that we have respect for the Minister and he hurts us to say something which is not really, at times, palatable to all of us. But it does not mean anything personal against the Minister.

We would like to express our views on the policies which are not acceptable to us. Shri Suresh Kurup did a great service in moving this Resolution and providing an opportunity to express our views on privatisation of the public sector undertakings. I was watching the hon. Minister replying to this debate today. He was saying that the public sector undertakings did not do well; they did not function efficiently and that is why it became necessary for the Government to privatise them. I do not understand this logic. If the public sector undertakings are not modernising, if the public sector undertakings are not functioning economically, if the public sector undertakings are not functioning imaginatively, who is responsible? Is not the Government responsible? Why should it not be possible for the Government to give direction to the public sector to modernise, to function imaginatively, to function economically and to function in a manner that the interest of the people and the consumers are protected? This is the last opportunity and this is one of the most important issues.

MR. CHAIRMAN: You have already expressed your views at the beginning.

SHRI SHIVRAJ V. PATIL : I am trying to get the reply from the hon. Minister because I was very extensive on this point and I was trying to see if any of my points, which I had raised, would be answered.

MR. CHAIRMAN: You have already spoken for 43 minutes.

SHRI SHIVRAJ V. PATIL : Yes, you were sitting in the Chair and I am grateful to you that you gave me full time. But I am trying to understand one thing. Why should it not be the responsibility of the Government to see that the public sector undertakings started by the Government for the people function efficiently? If they are not, should we not ask the Government that you are not functioning well, you are not performing your duties, you are not giving proper direction, you are not saying that they modernise in time? Now if you are transferring the existing public sector undertakings to the private sector, what is happening? You are not adding to the capacity that is required in the country. If you had retained the public sector undertakings with you, made them efficient and allowed the private sector to establish other undertakings, you would have added to the capacity which is required in the country. The result of your policy is that the capacity remains what it is.

There is no scope for expansion of capacity. So, why should it not be done? What is it in the public sector today that is not sufficient and we need something more? The private sector should certainly be encouraged and given all the facilities required to add to the capacity of the public sector. Have you considered this aspect?

I was watching the hon. Minister replying and saying that the Defence interests would be protected. He probably did not discuss this issue in great detail with the Defence Ministry also. Does he know what the Cochin Shipyard is going to do? They are thinking of building the platforms required by the Defence Ministry. They are doing many other things. If he transfers this Cochin Shipyard to the private sector, it would not be possible for them to take up all those projects. It is not possible for me to go into great details on this point on the floor of the House because it may take time. Otherwise, I can discuss these points with the hon. Minister. There are projects with this Shipyard which are of great importance to the defence of the country. He has probably not considered this aspect in great detail. If he allows the private sector to take it over and if the private sector is also not investing in the manner in which it should, it would make things difficult for us. ...(*Interruptions*)

SHRI ARUN SHOURIE: Sir, this would require an extensive reply. I went through the speech of Shri Shivraj V. Patil very methodically and I have answered each point he has raised to the best of my ability. On this point, if he wants a reply, I can give that also.

SHRI SHIVRAJ V. PATIL : I will not insist on a reply. I know certain things.

SHRI ARUN SHOURIE: I also know certain things. I have the Cabinet paper. I would break the rule of the Cabinet and tell you what the Defence Ministry has said.

SHRI SHIVRAJ V. PATIL : We are not accepting what you and the Cabinet are deciding. I am saying this on the floor of this House.

SHRI ARUN SHOURIE: I am telling you, I have consulted the Defence Ministry.

SHRI SHIVRAJ V. PATIL : I have worked in the Defence Ministry and I know what they are doing.

SHRI ARUN SHOURIE: I have consulted them.

SHRI SHIVRAJ V. PATIL : I am challenging what the Defence Ministry might have said.

SHRI ARUN SHOURIE: But you have said that I have not consulted. That is your gravamen.

SHRI SHIVRAJ V. PATIL : I have not said that.



SHRI ARUN SHOURIE: That is exactly what you have said.

SHRI SHIVRAJ V. PATIL : I am saying, what you have said is wrong.

If an aircraft carrier were to be built by a shipyard and if you are handing over that shipyard to the private sector, do you think that that aircraft carrier would be built by that shipyard? They would be importing the aircraft carrier from other countries. ...(*Interruptions*)

I am challenging you, Mr. Minister, and allow me to challenge you. Sitting on the Opposition benches, I am challenging the decision taken by your Cabinet and your Government. On behalf of the people of the country, I am not accepting what you decide and what your Government says. I am saying that if an aircraft carrier is required, if it is being built in a shipyard and if that shipyard is going to be privatised, you would be importing your aircraft carrier from outside the country and for years to come you would not be able to build that. So, I want to know how you would protect the interests of the country. If I am wrong, you can say that I am wrong as I am saying that you are wrong, your Government is wrong and the Defence Minister's agreeing with you that it could very easily be given to the private sector is wrong. If that is done, this project of building the aircraft carrier could be given up. These are the issues which go to the heart and we are going to discuss these issues outside also. Let us have the advantage of the benefit of the information from the hon. Minister so that we do not commit a mistake outside.

Coming to power generation, you are saying that the State Governments are responsible for not generating power. You have criticised and we do not find fault with you if you criticise the State Governments because they are also responsible. But you are also responsible and your party is responsible for not helping this country to generate the power which is required by the country. ...(*Interruptions*)

SHRI ARUN SHOURIE: I seek your direction. Do you want a general debate on economic policies including power generation?

SHRI SHIVRAJ V. PATIL : This is a discussion on the privatisation of the public sector.

SHRI ARUN SHOURIE: The privatisation of power has been done most successfully by the Congress Government in Delhi.

SHRI SHIVRAJ V. PATIL : These kinds of arguments are going on. ...(*Interruptions*) I am going to the basics. ...(*Interruptions*)

MR. CHAIRMAN : This is not the time for argument. There should be clarification only.

...(*Interruptions*)

SHRI SHIVRAJ V. PATIL : Sir, if I am irrelevant, you please stop me. ...(*Interruptions*)

MR. CHAIRMAN: Shrimati Renuka Chowdhury, please do not interrupt.

SHRI SHIVRAJ V. PATIL : Sir, if I am irrelevant, you please stop me. ...(*Interruptions*)

MR. CHAIRMAN: You are not irrelevant. But there should be clarification only as we have no time left for this Bill.

...(*Interruptions*)

प्रो. रासा सिंह रावत (अजमेर) : प्राइवेटाइजेशन की प्रक्रिया तो कांग्रेस के समय में ही शुरू हुई है।  $\hat{\alpha}$  (व्यवधान)

MR. CHAIRMAN: Prof. Rasa Singh Rawat, the Minister is capable of replying.

...(*Interruptions*)

SHRI ARUN SHOURIE: Shri Shivraj Patil, you have been the Speaker of this House. But in the same debate, for the Member to speak twice is not allowed. ...(*Interruptions*)

SHRI SHIVRAJ V. PATIL : I am not speaking. I had made my points. They have not been replied by the hon. Minister. So, I am again repeating the points. ...(*Interruptions*)

MR. CHAIRMAN: Shri Shivraj Patil, they should be asked only in the manner of clarification.

...(*Interruptions*)

SHRI SHIVRAJ V. PATIL : It is not a question of clarification. On an issue like this, the debate could have taken place for years together. If it is inconvenient and on technical basis you want to shut us out, it is up to you. As you

have done and as this House has done and as we have not been allowed to discuss the performance of the Government by not asking the hon. President to address, well that is within your right. Having said this, I will sit down. If I am irrelevant, please stop me. If I am inconvenient also, please stop me. ...(*Interruptions*)

MR. CHAIRMAN: Shri Shivraj Patil, you are not irrelevant.

...(*Interruptions*)

SHRI SHIVRAJ V. PATIL : I am saying that you have taken a decision to see that the power is generated through the private sector. It should be given to the private sector and they should be encouraged and helped. But supposing, the private sector is not willing to do it because of gestation period, if huge amount of money is required and if the time required for returns to come back is not acceptable to private sector and power is not generated, then are you responsible? What kind of policy are you adopting and thrusting on us; not on us but on the entire country? The country is suffering simply because you can give the advertisement in the papers and feel good about it and then say that this is the feel-good factor. This is not correct. Let the hon. Minister reply to my statement. I have not said anything against the hon. Minister as such. I respect him. ...(*Interruptions*)

SHRI VIJAYENDRA PAL SINGH BADNORE (BHILWARA): If NTPC and NHPC had been disinvested, then his point would have been valid. ...(*Interruptions*)

MR. CHAIRMAN: Shri Singh, the Minister is capable of replying and he will reply to him. You should not reply. I am not allowing you.

...(*Interruptions*)

SHRI SHIVRAJ V. PATIL : I am not saying anything personal. ...(*Interruptions*)

SHRI VIJAYENDRA PAL SINGH BADNORE : If NTPC and NHPC had been disinvested, then this point would have been valid. ...(*Interruptions*)

SHRI SHIVRAJ V. PATIL : This is how the Members behave in the House. ...(*Interruptions*)

श्री विजयेन्द्र पाल सिंह बदनोर : AxÉ.]ÉÒ. {ÉÉÒ.°ÉÉÒ. +ÉÉè® AxÉ.ASÉ. {ÉÉÒ.°ÉÉÒ. àÉà ÉÉb°É<x'Éä]àÉá] ÉÉBÉE°ÉÉ cè BÉD°ÉÉ? वह तो वैलिड हुआ ही नहीं, आपने स्टेट को भी पूरी परमीशन दे रखी है, उसमें प्रॉब्लम कहां है?

SHRI SHIVRAJ V. PATIL : Shri Singh, you do not know that the power has to be generated and irrigation dams have to be constructed with the help of the Union Government. ...(*Interruptions*) If you do not know, I cannot help it. If you know, then you should not ask that question. ...(*Interruptions*)

SHRI VIJAYENDRA PAL SINGH BADNORE : Sir, if NHPC and NTPC .....(*Interruptions*)

SHRI SHIVRAJ V. PATIL : Sir, he has not understood my point. He thinks that it is his duty to obstruct my statement. I am saying, if the power is not generated and it is not generated because the public sector has withdrawn from that area, then who is responsible for the power shortage in the country? Shri Ram Vilas Paswan has rightly put the question. ...(*Interruptions*)

SHRI VIJAYENDRA PAL SINGH BADNORE : He thinks that it was surplus in their time and not in our time. ...(*Interruptions*)

SHRI SHIVRAJ V. PATIL : I have not yielded and I have not replied to it. If I come there, I will reply. ...(*Interruptions*)

MR. CHAIRMAN: Shri Shivraj Patil, please sit down.

...(*Interruptions*)

MR. CHAIRMAN: Shri Singh, you should not interrupt. This is not the proper way. Shri Ramdas Athawale, please sit down.

...(*Interruptions*)

SHRI VIJAYENDRA PAL SINGH BADNORE : You have not been able to do. ...(*Interruptions*)

MR. CHAIRMAN: This is not the proper way.

...(*Interruptions*)

SHRI SHIVRAJ V. PATIL : Shri Singh, why are you getting up? It is not your duty to obstruct my statement. Let the

hon. Minister do it. He is capable of doing it. ...*(Interruptions)* This is not proper. ...*(Interruptions)*

**सभापति महोदय** : आठवले जी, बैठ जाइये।

**श्री रामदास आठवले** : हम दो महीने के बाद उधर बैठेंगे। प्राइवेट सैक्टर में रिजर्वेशन के हमारे सवाल के बारे में कुछ होना चाहिए।*(व्यवधान)*

MR. CHAIRMAN: Shri Singh, I have not allowed you. Shri Ramdas Athawale, please sit down.

...*(Interruptions)*

SHRI SHIVRAJ V. PATIL : I am standing and you are speaking. ...*(Interruptions)*

MR. CHAIRMAN: This is not the proper way.

...*(Interruptions)*

SHRI VIJAYENDRA PAL SINGH BADNORE : Shri Shivraj Patil, I am not replying to you. ...*(Interruptions)*

SHRI SHIVRAJ V. PATIL : How can you speak when I am standing? ...*(Interruptions)*

SHRI VIJAYENDRA PAL SINGH BADNORE : If NHPC and NTPC had been disinvested...*(Interruptions)*

MR. CHAIRMAN: Shri Singh, the Minister is capable of replying. Leave it to him. He will reply to him.

...*(Interruptions)*

SHRI SHIVRAJ V. PATIL : You can reply very well, but he can also reply. He has been doing very well. Do not be afraid.

Sir, I am raising the basic issue with respect to the public sector undertakings. I am not saying that do not privatise; I am saying that privatise in a proper manner. Do not privatise at throw away prices; do not privatise in the areas in which the necessary things will not be produced; and do not privatise those public sector undertakings which are likely to create problems for the Defence Ministry and defence of the country.

MR. CHAIRMAN : Thank you. Now, the Minister may speak.

...*(Interruptions)*

**श्री रामदास आठवले** : सभापति महोदय, हमारे सवाल का क्या हुआ ? प्राइवेटाइज होने के बाद अंडरटेकिंग में रिजर्वेशन देने के बारे में सरकार का क्या कहना है ?*(व्यवधान)*

**सभापति महोदय** : रामदास जी, आप पहले बोल चुके हैं। अब आप फिर क्यों बोल रहे हैं ?

...*(व्यवधान)*

**श्री रामदास आठवले** : तीन महीने बाद हम वहां बैठेंगे।*(व्यवधान)*

**सभापति महोदय** : अभी तो आप बैठिये।

...*(व्यवधान)*

SHRI VIJAYENDRA PAL SINGH BADNORE : Sir, Hindustan Zinc Limited, which is in my constituency, was disinvested. When it was disinvested, the market value of its share with face value of Rs. 10 was Rs. 8. Now, it has gone up to Rs. 140. Everybody has got the VRS. We are doing very well. It is just a question of how you look at it.

MR. CHAIRMAN: You came in the midst of the Minister's reply. He has already replied to this point.

SHRI VIJAYENDRA PAL SINGH BADNORE : It is in my constituency. That is why, I am saying this.

SHRI ARUN SHOURIE : Sir, important points have been made and I will reply to them in one or two sentences.

Sir, since a very serious matter has been raised, I will just read something and read out with full responsibility so as to assure Shri Shivraj Patil and other Members. It can be a disagreement between two assessments. That is perfectly fine, but if we go through the record...*(व्यवधान)*

MR. CHAIRMAN: I want the permission of the House to take some more time on this Resolution. Then, we will go to Shrimati Renuka Chowdhury's Resolution.

SEVERAL HON. MEMBERS: Yes.

SHRI ARUN SHOURIE: I will read it out. I will just mention the fact that Defence Ministry, while conveying its, in principle, agreement to the disinvestment of Cochin Shipyard Limited, has also stated that it has no objection to private parties handling the work presently being done by Cochin Shipyard Limited. It has further been mentioned that neither the Ministry of Defence nor the Indian Navy wants to retain any facility at the Shipyard. It has stressed that participation of private parties of foreign origin be restricted to 26 per cent. Each of these things has been complied with. Then, they gave a set of security clauses which they insist on even in 100 per cent Indian-owned companies when they do some defence related work. With his great knowledge, Shri Shivraj Patil knows that even in guided missiles being made, private companies today are manufacturing certain things in India. I do not want to get them black-listed outside. So, I will not name them, but all of you should know that we are far advanced in this matter, and in each of those cases, there is a set of security clauses which the company has to abide by. There are 22 such clauses and we have ensured that if disinvestment goes through – as yet no decision has been taken – all those 22 conditions will be mandatory.

On the question of power, there is a considered policy evolved, as Shrimati Renuka Chowdhury just reminds us, since Shri P.V. Narasimha Rao's time of inviting private sector participation in this sector also precisely for the reason Shri Shivraj Patil mentioned, that is, to ensure adequate power. I am not going into who is responsible for Enron and who is not responsible for Hindujas living up to their agreement, but the fact of the matter is that in this sector, everybody's policy has been like banking, like telecom that both public and private sectors should participate. Therefore, as the hon. Member was just now mentioning, NTPC, NHPC and, North-Eastern Members know, NEEPCO and National Power Grid Corporation continue to be the great pillars of strength in the power sector in public ownership, control and management.

Shri Shivraj Patil used a strong word in saying about things being sold at throw away prices. I will, therefore, just mention that â€¦..

SHRI SHIVRAJ V. PATIL : Just remember what happened to hotels in Mumbai.

SHRI ARUN SHOURIE: I will come to that also.

The first point to remember is that in the case of valuation, the price-earning ratios, which Shri Shivraj Patil knows is the measure for these things, which used to be obtained at the time of earlier disinvestments, and if I may say so, by the Congress Government, were between four and six.

With our disinvestments we have secured 11 : 83 as the price earning ratio. Kindly notice the difference in ratio from 4 : 6 compared to 11 : 83.

I will give you one instance, and I will come to the Bombay hotel also. In the case of Maruti, at the time when Maruti had 85 per cent of the market share, your Government gave away the management control of Maruti to Suzuki. It made it a private company by reducing the Government equity to 49.7 per cent for Rs. 249 per share. At that time, the share of the derelict Ambassador manufacturer Hindustan Motors was Rs. 700. We secured 18 times the price per share of that time from the same Suzuki Motor Company at a time when the market share of Maruti has come down from 85 per cent to 45 per cent of the market. Even then we have got that.

On valuations, throwaway prices, and so on, these are just phrases that keep coming and going. The fact of the matter is that it is not what the records show.

On the question of the elections, whether something is going to be suspended or not ...(*Interruptions*)

SHRI SHIVRAJ V. PATIL : I would like to put one more question. Why should the Government not be held responsible for the privatisation of PSU, etc.?

SHRI ARUN SHOURIE : It is a very important point, namely about responsibility in Government, and how to get these things done. The principal activity on disinvestment that is taking place -- even in these two months -- is only about placements of equity in the market. It is a thing, which everybody including Shri Jyotiraditya M. Scindia and their financial experts have been mentioning and urging that we should do it. Therefore, 10 per cent of ONGC, 10 per cent of GAIL, the residual shares in IPCL, CMC, and other companies, etc. are the principal things that are going on at this time.

On the question of the use of disinvestment fund श्रीराम विलास जी ने कहा कि इसका कुछ प्रपोज़न सोशल सैक्टर के लिए होना चाहिए, इम्पू वर्मेंट ऑफ पीएसयूज़ के लिए होना चाहिए, इम्प्लॉयमेंट जनरेशन के लिए होना चाहिए और शैडयूल्ड कास्ट्स और शैडयूल्ड ट्राइब्स के लिए होना चाहिए। ऐक्चुअली यही डिस्मिज़न्स थे। डिफेंस मिनिस्टर जार्ज फर्नान्डीज़ साहब ने भी यही अर्ज किया था। मैंने हाउस में एक बार ऐनाउंसमेंट की थी of the setting up of the disinvestment fund. These are precisely the objectives that have been narrated in that.

On the question of reservation being extended to the private sector on Scheduled Castes and Scheduled Tribes, I

will be completely candid that this is really for the Opposition, the Government, and everybody to decide together. It will be a very major departure from what has been done consistently over this period. It is a much larger issue than disinvestment, but on the question of the disinvested companies उसमें शैडयूल्ड कास्ट्स, शैडयूल्ड ट्राइब्स की प्रोटेक्शन के लिए श्री राम विलास जी जानते हैं, जब ये कैबिनेट में थे तो इनका इस पर बहुत आग्रह होता था। इसलिए बैस्ट प्रैक्टिसेज़ क्लॉज़ में इन्हीं के कहने पर और इनकी सैटिस्फैक्शन से एक स्पेशल प्रोवीजन किया गया था। The private fellow will have to be conscious of the Government policies in this regard. इसलिए हैंडीकैप्ड पर्सन्स and persons belonging to scheduled castes and scheduled tribes, who have come through reservations, अगर कभी भी उसमें कुछ है! (ब्यवधान)

**श्रीमती रेणुका चौधरी :** आप उनको लागू कैसे करेंगे। एक बाहर का आदमी आकर हमारे देश के सैटीमेंट्स को समझे! (ब्यवधान)

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): It can be done away with.

SHRI ARUN SHOURIE : Shrimati Renuka, there are the normal labour laws and they will take care of that issue. There are Labour Commissioners also. Your own Governments have Labour Ministers in Karnataka, etc. and they will ensure all these things. ...(*Interruptions*)

SHRI SURESH KURUP : Will you stop the procedure during the election time as well?

MR. CHAIRMAN : Please conclude your reply.

SHRI ARUN SHOURIE : Sir, I will conclude. The best way to ensure accountability is by improving the processes of Government. We should all work together on this in the House.

The best way is to ensure expansion and competitiveness, and that is how the capacity of the country will increase. When I referred to the figures in regard to expansion, Shri Shivraj Patil was not here at that time. In the enterprises that have been privatised, in the last three years, I am myself surprised, production has increased from 20 per cent to 250 per cent. That is expansion and that is what will create national wealth.

I thank you for giving me the opportunity to reply to this debate.

SHRI SHIVRAJ V. PATIL : I have asked whether you will stop the procedure during the election time and that has not been answered. I wanted to know whether the Government would stop the procedure of privatisation during the election time. ...(*Interruptions*)

SHRIMATI RENUKA CHOWDHURY : Why will they do it, when they are violating everything?

SHRI SURESH KURUP : I would like to get an answer for that. I want to know whether you are going to stop the procedure.

SHRI SHIVRAJ V. PATIL : You can go to a court of law and stop that.

SHRI ARUN SHOURIE: Shri Shivraj Patil has given the answer to that.

MR. CHAIRMAN : After the assurance from the hon. Minister, are you going to withdraw your Resolution, Shri Suresh Kurup?

SHRI SURESH KURUP : With much reluctance, I seek leave of the House to withdraw the Resolution.

SHRI ARUN SHOURIE: I thank you very much for that and I assure you that we will keep your points in mind.

MR. CHAIRMAN: Is it the pleasure of the House that the Resolution moved by Shri Suresh Kurup be withdrawn?

*The Resolution was, by leave, withdrawn.*

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