

Title : Shri Rupchand Pal called the attention of the Minister of Labour and Employment to the situation arising out of lock out at Dunlop India Ltd. Sahaganj, West Bengal and problem being faced by the workers and employees of Dunlop and steps taken by the Government.

12.20 hrs.

CALLING ATTENTION TO MATTERS OF URGENT PUBLIC IMPORTANCE

SHRI RUPCHAND PAL (HOOGHLY): Sir, I call the attention of the Minister of Labour and Employment to the following matter of urgent public importance and request that he may make a statement thereon:

"The situation arising out of lock out at Dunlop India Limited in Sahaganj, West Bengal, resulting in unbearable suffering to thousands of workers and employees of Dunlop and steps taken by the Government in regard thereto."

THE MINISTER OF LABOUR AND EMPLOYMENT (SHRI K. CHANDRA SHEKHAR RAO): Mr. Speaker, Sir, Messrs. Dunlop India Limited (DIL) falls under the State sphere. Accordingly, as per the information provided by the State Government of West Bengal the position in respect of DIL is as follows.

DIL was incorporated in the year 1929 as a public limited company and has one plant in Sahaganj, West Bengal, employing around 4200 individuals. The company produced a wide range of automobile tyres and tubes including aero tyres for the Air Force planes. ...
(Interruptions)

MR. SPEAKER: No cross talk please. Ensure order in the House. Important issues are being discussed and no attention is being paid!

SHRI K. CHANDRA SHEKHAR RAO: DIL was declared sick by the BIFR in the year 1998. One of the reasons identified for sickness was alleged financial mismanagement internally leading to irregularities in liquidating the dues of the Company's secured creditors (Banks/Financial Institutions) making these lenders reluctant to extend any concessions for rehabilitation of the Company.

As informed by the Government of West Bengal, the Company suspended operations in its Sahaganj unit on 8th February, 1998 on the ground of shortage of working capital. The operations in the Sahaganj Unit were resumed in March, 2000 due to proactive intervention of the State Government. However, this operation was suspended in August, 2001 due to financial stringency as reported by the management.

The employees of Sahaganj Unit are facing hardships. The State Government has advised the Operating Agency, that is the State Bank of India, to secure final clearance on the revival package that is pending with the Appellate Authority for industrial reconstruction since May, 2002. The State Government on its part has offered various concessions with a view to revive the Company, like remission of sales tax for a prospective period of nine years, conversion of arrear dues of sales tax into an interest bearing soft loan, permission for disposal/development of land/building at Kolkata, waiver of electricity duty for five years etc. DIL employees are being provided financial assistance of Rs.500/- per month under a scheme formulated by the State Government for providing assistance to the employees of closed industrial units.

Dunlop India Limited's management has assured that they are in the process of working out a comprehensive business plan for its Sahaganj unit. However, revival of the Company can take place only if the promoters of the Company take initiative for reopening its industrial unit in consultation and with support of all stakeholders.

SHRI RUPCHAND PAL : Sir, the hon. Minister has admitted that Dunlop India Limited is not an ordinary rubber producing unit. It has been engaged in producing important defence items. It is known to everyone that during the Kargil war the Air Force officials approached Dunlop India Limited and its starving workers and employees welcomed the defence officials. By opening the plant, aero tyres were taken out which were urgently needed for the armed forces during the Kargil war.

It has been admitted that it is not an ordinary, tyre-producing unit. It has been producing tyres which are very important for MiG-21, MiG-29, MiG-23, AN-32 and also for the special Army vehicles used in the sandy terrain, etc.

It has produced very high quality dependable goods for decades. These are certificates given by the Defence officials. Now, it is being said that if the promoters take some initiatives, it may be opened. They have taken no initiatives. As part of a conspiracy, they have taken this viable unit to the BIFR. Now, it is no more with the BIFR. The ball has been rolling between BIFR and AAIFR. The

Government is admitting that it is a classic case of siphoning off of company funds. The Central Government's liability and responsibility comes here. Thirty-four per cent of the stake is with the LIC, the GIC and the UTI. Even now, Dunlop India Ltd. is covered under the Defence of India Rules. It was the target of the Japanese attack because it had been engaged in producing defence articles.

In such a situation, we have to take care of the interest of employees and workers. The State Government is providing all sorts of help, like concessions in sales tax, providing help in the matter of restoration of electricity, condoning various dues. The former Chief Minister of West Bengal has repeatedly written to the Union Government. MPs had approached the Union Government and the former Prime Minister. After the new Government has come, we approached the hon. Defence Minister seeking his intervention. It is not a very ordinary general rubber producing unit. It is in the national interest to open it. There is a provision that the Government can take it over. Which interest can be more important than the public interest and the defence interest? Are they producing inferior quality goods? In this regard, defence certificates are there. They are producing goods which are of international standards. Have they failed in any way? No. Even during the Kargil War, the workers and the employees cooperated. Have the employees and workers committed any fault? No. There is quarrel in the family of one trader, who was in Dubai, but is dead now. They have siphoned off the funds. Thirty-four per cent of its stake belongs to the Government of India, indirectly through the Central financial institutions, like the GIC, the LIC and the UTI.

MR. SPEAKER: What is your question?

SHRI RUPCHAND PAL : I am asking the question. In such a situation, when the State Government is prepared to render all possible help, when the employees and workers have been rendering all possible help, what is the Central Government going to do? It was really a scene to be witnessed. When the Army officials visited that area during the Kargil War, there were tears in their eyes on seeing the children belonging to the starving families, standing in the queues, welcoming them and offering them to take away the tyres in the national interest. They were telling them, please tell the authorities in Delhi that here is a precious unit where we are ready to produce, but we are not allowed to produce.

In such a situation, I would like to specifically ask the Minister of Defence, not the Minister of Labour as it is not a simple case of labour unrest. There is no labour unrest. Workers have not committed any fault. The Minister of State for Defence is present here. What steps does he propose to take to save this unit? It is a very viable unit. What steps do they propose to protect the interests of this important defence material producing unit and the interests of the workers and employees? I seek the protection of the Defence Minister.

SHRI SANTASRI CHATTERJEE (SERAMPORE): Hon. Speaker, Sir, while associating myself with the question put before this august House by the hon. Member, Shri Rupchand Pal, I have got certain supplementary submissions to make and a question to ask from the hon. Minister of Labour who has kindly made a statement on the basis of the report which he has received from the State Government.

Sir, you know more than we do because when you were Member, you have many times taken up the cause of Dunlop India Limited. It is not a labour related issue. Dunlop India Limited was closed not because of any industrial dispute nor production or productivity linked problems. It is closed not only in West Bengal but another unit also in Ambattur, Tamil Nadu.

The unscrupulous managements have siphoned off the funds of the company and brought the Dunlop India to a standstill position. Prof. Pal has reported the sense of patriotism displayed by the workers and their families during Kargil war. It is a matter of pride for all of us. We know that the then Chief Minister of West Bengal Shri Jyoti Basu had waited upon the then Prime Minister Shri Atal Bihari Vajpayee and had requested him to take over the unit in the national interest. Shri Vajpayee did not commit anything at that time. But the other day in Rajya Sabha, the then Minister had replied that it was not the policy of the NDA Government to revive any sick unit or to take over any sick unit. But those days have gone. Now the UPA Government is there which has committed in the National Common Minimum Programme that it would take steps to revive the industrial growth through a range of policies, commitment to welfare and well-being of all workers and particularly unorganised workers. When the Government could consider having a Group of Ministers for the revival of Enron through GAIL, IDBI and so on, why can the Government not consider revival of the Dunlop India with all its possible resources? Can it not talk to the Government of West Bengal who have offered all sorts of help?...
(Interruptions)

MR. SPEAKER: Please put your question.

SHRI SANTASRI CHATTERJEE : Nowhere in the country will you find a State Government offering unemployment benefit to the workers. My question is not only to the Labour Minister but also to the other Cabinet Ministers including the Defence Minister. I request

the hon. Prime Minister to rise to the occasion and not to follow the foot-steps of the earlier Government who had refused to do anything for the revival of the Dunlop India, for the defence of the country. We are bringing so many aero tyres at an increased cost. Why can we not produce it here by getting a package from the BIFR and the AIFR? You will be astonished to learn that....

(Interruptions)

MR. SPEAKER: That matter cannot be decided here. How can the BIFR be asked to decide the matter here?

... *(Interruptions)*

SHRI SANTASRI CHATTERJEE : I would like to draw the attention of the hon. Minister that the order of the AAIFR to sale all the properties of Dunlop which we have stopped by going to the court of law and this situation still stands as it is. I would like the hon. Minister to take up the matter with all sincerity and in the right earnest so that the Dunlop India is revived either through the Government help or with the help of the private agencies.

SHRI AJAY CHAKRABORTY (BASIRHAT): I agree with our hon. colleagues that the problem of the Dunlop India is not only related to the Labour Ministry but is also related to the Defence Ministry, Finance Ministry and Industry Ministry. ... *(Interruptions)*

MR. SPEAKER: You please ask your clarificatory question.

SHRI AJAY CHAKRABORTY : Dunlop India is a pride of our country. It is the pioneer tyre manufacturing company of our country. They are manufacturing aero tyres not only for the Civil Aviation Ministry but also for the Defence Ministry. It is the only aero tyre manufacturing company of our country. Due to closure of this Dunlop India Limited, the Defence Ministry in particular, is compelled to import aero tyres from outside. Not only that. The workers who were working there are out of job now. Some of the workers have committed suicide. The West Bengal Government is rendering some financial assistance per month to the workers who are jobless. May I know from the hon. Minister whether he will take an initiative to form a Group of Ministries for sorting out the problem of the Dunlop India Limited?

When the Government can form a Group of Ministers for a private company, Enron, why can they not form a Group of Ministers for the Dunlop India Limited?

MR. SPEAKER: Mr. Chakraborty, the same point he has made and now, you are repeating the same thing.

SHRI AJAY CHAKRABORTY : Sir, may I know from the hon. Minister that as the Government of West Bengal is rendering assistance to the workers.

MR. SPEAKER: Mr. Chakraborty, you are making the same point. You are saying whether they are reviving the Dunlop India Limited in view of the help given by the State Government.

... *(Interruptions)*

SHRI AJAY CHAKRABORTY : I want to know whether the Government of India would come forward to pay the remuneration rendering the financial assistance to the jobless workers.

MR. SPEAKER: No. You have raised the same question.

... *(Interruptions)*

MR. SPEAKER: Mr. Chakraborty, please cooperate. We have two more Calling Attentions to be taken up.

SHRI AJAY CHAKRABORTY : Sir, Manu Chhabaria, who was the owner of the Dunlop India Limited had flown away from this country. He has died, leaving one daughter.... *(Interruptions)*

MR. SPEAKER: Everything is being repeated. Thank you.

... *(Interruptions)*

MR. SPEAKER: I would not allow now.

SHRI AJAY CHAKRABORTY : I want to know whether the Government of India would take the initiative to bring back Manu Chhabaria's heirs and sell out his other assets to pay the money to the workers.

SHRI K. FRANCIS GEORGE (IDUKKI): Sir, would you allow me to ask one question?

MR. SPEAKER: No, I would not allow.

... (Interruptions)

MR. SPEAKER: If you do not cooperate, I would not allow.

Now, Mr. Minister.

... (Interruptions)

SHRI K. CHANDRA SHEKHAR RAO: Sir, I understand and I fully share the concerns of the hon. Members. This particular industry used to supply tyres and certain materials to the Defence Ministry also. So, before coming to answer these questions, I had a discussion with the hon. Minister of Defence.

MR. SPEAKER: I think, he is here to make an announcement.

... (Interruptions)

SHRI K. CHANDRA SHEKHAR RAO: Sir, he was kind enough to say that if the company is revived, his Ministry will place orders so as to see that the company functions in a nice manner. But this is an industry which is in the State sector. I can only assure the hon. Members through you. I was talking to some of the officials of the Government of West Bengal also. They said that a minimum of Rs. 1,000 crore to Rs. 1,200 was required to revive this company. So, a huge amount of money is involved.

Now, I promise the hon. Members that I will take the initiative.

MR. SPEAKER: Very good.

SHRI K. CHANDRA SHEKHAR RAO: If necessary, I would go to West Bengal.

MR. SPEAKER: Thank you.

SHRI K. CHANDRA SHEKHAR RAO: I would speak to the hon. Chief Minister there. I would also refer the matter to the hon. Speaker since the hon. Speaker is also from West Bengal.

MR. SPEAKER: I have no powers.

... (Interruptions)

SHRI K. CHANDRA SHEKHAR RAO: In this regard, I would see that a meeting is called in the chamber of the hon. Speaker so that proper directions can be given.

MR. SPEAKER: Thank you very much.

SHRI K. CHANDRA SHEKHAR RAO: All that I can do. To the best of my ability, I would take the initiative on behalf of the Government of India.

MR. SPEAKER: Very good.

SHRI K. CHANDRA SHEKHAR RAO: There is another thing. The Government of West Bengal is providing Rs. 500 per month to the workers of the Dunlop India Limited. I cannot promise right across the financial assistance to the workers, from the Government of India. I cannot promise that.

MR. SPEAKER: But I think, your views are endorsed by the Defence Minister also.

SHRI K. CHANDRA SHEKHAR RAO: Yes, Sir.

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI BIJOY HANDIQUE): Sir, I have been listening to the discussion with keen interest. As regards the role of reviving of the Dunlop India Limited, at this stage I can say this much that if this avenue is reopened, the Defence Ministry will definitely buy as per the requirements.

MR. SPEAKER: It is a good thing. That will induce some entrepreneurs to come. Thank you very much to all of you.

Now, we go to the next Calling Attention -- Shri Prabhunath Singh.

