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COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

[English]

Forty-seventh Report

SHRI M. THAMBI DURAI (Dharmapuri): Sir, I beg to present the Forty-seventh Report (Hindi and English versions) of the Committee on Private Members Bills and Resolutions.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

[English]

Reported decision of Government to sell Scooters India Limited to a private sector company

SHRI NARAYAN CHOUBEY (Midnapore): Sir, I call the attention of the Minister of Industry to the following matter of urgent public importance and request that he may make a statement thereon:—

“Reported decision of the Government to sell the public sector company—Scooters India Limited to a private sector company.”

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): Sir, Scooters India Limited, a public sector, undertaking under the Ministry of Industry engaged in the manufacture of 2-wheelers, 3-wheelers and Fans, has been incurring losses since inception. The accumulated loss of the unit as on 31.3.87 was Rs. 105.26

crores. The issue of making Scooters India Ltd. a viable unit has been engaging attention of the Government for some time.

Various alternatives like closure, employees' takeover, joint venture with the private sector, revival through transfer of assets and liabilities to another existing unit or through fresh capital investment were considered. After careful examination of various alternatives, the revival of the unit by way of transfer of assets/liabilities to another existing unit in the 2-wheeler sector, failing which revival through fresh investment, were found most suitable.

The current decade has shown a satisfactory growth rate in the 2-wheeler sector of economy with adequate investment in the private sector. It was found desirable to dovetail the capacities created in Scooters India Ltd. with the existing private investments to avoid fragmentation of capacities and to secure maximum overall returns to the economy. Accordingly, Government decided to transfer agreed assets and equivalent liabilities of Lucknow unit of Scooters India Ltd. for the manufacture of 2-wheelers and 3-wheelers to M/s. Bajaj Auto Ltd.

In the proposed scheme of transfer of agreed assets and equivalent liabilities of Scooters India Ltd.'s Lucknow unit to M/s Bajaj Auto Ltd., the latter would provide fresh employment to a sizeable number of existing employees of Scooters India Ltd. In the rejuvenated unit, certain standard fiscal concessions as applicable to the defined backward areas would also be extended to this rejuvenated unit. The modalities of settlement of workers, private share holdings and loans of financial institutions etc. are being worked out and a Memorandum of Undertaking will be entered into with M/s. Bajaj Auto Ltd. for the purpose.

This scheme would enable the optimum utilisation of assets, capacities and skills already created in the unit and would lead to the improvement of the performance of this unit.

The decision to transfer assets and