

Administration, Finance and other posts) Regulations, 1988 published in Notification No. G. S. R. 38(E) in Gazette of India dated the 15th January, 1988.

[Placed in Library. See No. LT-5587/88]

---

## 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

[Shri J. Vengal Rao]

abilities of the Scooters India Ltd. is on the basis of past performance of this individual unit and with a view to consolidate capacities in this non-strategic sector. Govt. have not taken any policy decision to privatise public sector units.

**SHRI NARAYAN CHOUBEY :** Sir, the matter is very serious, as you will understand and even there should some logic before taking a decision to sell the public sector company. The statement of the Government is like the logic of a killer only. Sir, yesterday, our Finance Minister, Shri N. D. Tewary, spoke of a strong and vibrant public sector which late Jawahar Lal Nehru wanted to be in commanding heights in our economy. Today we are discussing about the Scooters India Limited which will be sold to a private sector company. Let our journalists write a book on Scooters India—its rise and fall. It will be the best thriller in India in 1988.

Sir, Scooters India Limited came into being in 1972-73. You know, Sir, it is ready for sacrifice and it is now at the altar of Bajaj Scooter. The priest is ready to utter 'mantras'. Scooters India has been tied. Bells are ringing and the Department of Industry is ready with sword in hand. I do not know how many are there still to be privatised like this. The Automobile of India and Innocenti of Italy had been manufacturing scooters. But they could not find it viable. So, they approached the Government of India to make it a joint venture. But after it has been declared as a joint venture, both the Automobile of India and Innocenti of Italy backed out and the management of this unit was left with the Government of India. The joint venture system would have worked well but it has not worked well not because of the workers but because of the fault of your department. Bungling started. There is no estimation of the capacity of the plant. No technology was available. Even C.S.I.R. was not called for. About Rs. 70 lakhs have been spent to get foreign technology but it did not click. The plant and machinery had become obsolete and they had to be replaced and updated. Since 1972, no D.P.R.

has been prepared and it is the statement of the Secretary of your own Department.

12.20 hrs.

[MR DEPUTY SPEAKER *in the chair*]

Rs. 30 lakhs have been made available for this DPR to M/S A.P.I. Even then the DPR is not yet ready. You will be struck with wonder, there is no Chairman in this Company, there is no M.D. since 1983 and one Executive Director has been brought here from the Railways, he is an officer of the Railways having no knowledge at all regarding automobiles and most of the time this gentleman remains absent from the plant. Naturally it is a loss—loss to the tune of Rs. 105 crores, of which Rs. 50 crores is Government loan. You agree that there has been a loss. Then, various Committees were formed, they made various recommendations. The Inger Soll Engineers Committee, Satya Pal Committee, Mansukhlal Committee, Secretaries Committee—they all made many recommendations to make it viable, you did not accept them, even the COPU, our Committee on Public Undertakings had gone through it, they made recommendations, but they are also not adhered to. But even then they continued to produce. They produced 20,275 scooters in 1983, 27,282 scooters in 1984, 26,186 in 1985 and 21,838 in 1986. But suddenly in 1987, when you had made a plan to hand it over to Bajaj, production has gone down to only 5,434. Why? It is perhaps because already you have made a plan to sacrifice it at the altar of Bajaj. Even then there has been step-motherly attitude towards it, although you allowed Bajaj to sell their products throughout India, the Vikrant and semi-Vikrant vehicles of this Company, 7-seaters and 3-wheelers, they are not allowed to sell them beyond U.P. and Bihar. Why? Whereas Bajaj has an all-India market, you being a Government concern, public sector concern, don't allow them to have an all-India market. I fail to understand why, they do not have a good market. In the mean time, Bajaj gets a licence to produce one lakh scooters in U.P., Surajpur, Meerut District, in 1985. In 1985 Bajaj gets a licence. Till that date Bajaj has not worked on that licence. Bajaj is waiting for the time to buy this factory and it is

allowed to continue this licence. Bajaj does not make the factory. In 1987 this Scooters India Limited was trying to revive. Sometimes it was producing some materials to be sold at a loss to private companies. In the mean time, ultimately it came to an agreement with Honda of Japan, and if this agreement is acted upon, it will be producing the best quality scooter with the highest fuel efficiency in India and that will be cheapest also. That will be as cheap as the Moped. When this is the situation, you just want to sell it to the private company. Situation was created to have good fuel efficient cheap scooters. But it is not to be, it has to be sold to Bajaj and asset of Rs. 200 crores with a land of 150 acres is being given to Bajaj for Rs. 30 crores, of which Bajaj will pay you only Rs. 5 crores and Rs 25 crores you will procure for Bajaj as a loan to be paid to you. I don't know why this magnanimity to Bajaj and Bajaj alone. I do not know whether this Bajaj family is in good books of some important person of that area or not.

AN HON. MEMBER : Chairman of Air India,

SHRI SOMNATH CHATTERJEE (Balpur) : Chairman of Air India.

SHRI NARAYAN CHOUBEY : So, Sir, such is the situation. The Indian people want a good scooter, a fuel efficient scooter, a cheap scooter, but they won't get it. Now, even the workers, I do not know—3200 workers and officers are working nothing to be heard from them, they will be thrown out. This is the story of Scooters India Limited, Sir. This is the beautiful story of how a capitalist State buys one factory which was going to be liquidated, that is, the Italian factory, then restores it to some extent and then hands it over to another capitalist, namely, Bajaj.

So, this the story. I want to put a few questions.

SHRI J. VENGAL RAO : Let me answer first all this. Afterwards you can put questions.

SHRI NARAYAN CHOUBEY : You have decided : "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. Before you took the decision, did you consult the workers, employees and officers. Do you know even the INTUC, your labour wing has opposed it? Only yesterday, your INTUC has issued a statement that this should not be done. This would be anti-workers and anti-principles of the Congress Party. Mr. Gopeshwar has opposed it. Why don't you allow him to speak, if you want to know his reaction. Has the Government received any memorandum from the representatives of the workers, employees and officers regarding a separate viable plan to run this industry? What is your reaction.

The Government has been very magnanimous to Bajaj. Assets worth Rs. 200 crores will be handed over to it and you will get only Rs. 5 crores. Even, you are getting Rs. 25 crores from other institution as loan for Bajaj. Why does the Government not go through and act upon COPU's suggestion? The Government is handing over to Bajaj with good grace. Why does the Government not hand over financial aid to Scooters India so that it can be made viable which the officers and the engineers have claimed? Why don't you work on the plan of Japan-Honda, the agreement which has been made by Scooters India with Japan-Honda.

SHRI SOMNATH CHATTERJEE : Sir, I propose that Mr. Harish Rawat should be made chairman.

SHRI NARAYAN CHOUBEY : It is amazing when you have said that facilities given to employers to construct factory in the backward area will be given to Bajaj, when the Bajaj takes over Scooters India. Is Lucknow a backward area? Then, what is the reason for giving special concession to Bajaj?

[Translation]

Tell me whose fault is it? Is it of Bajaj or yours?

[Shri Narayan Choubey]

[English]

Why should this backward facilities be given to them ?

What is the number of workers going to be affected ? You have said : Accordingly, the Government decided to transfer agreed assets and equivalent liabilities of Lucknow unit of Scooters India Ltd, to Bajaj. What is the equivalent liability of the Lucknow unit of Scooters India Ltd. ? What is the price of that ? What is the cost of that ? What is the price you are going to give to Bajaj for taking over this ? How many workers are going to be involved ? How many workers will lose their jobs ? How many workers whom Bajaj propose to take ? Nothing is mentioned. What is the amount those workers who would not be taken back are going to get and whether that is sufficient. This is your cordocile tear for the public sector. You have said very nicely : "It is with a view to consolidate capacities in the non-basic and nonstrategic sector. Government has not taken any policy decision to privatise public sector units." It is one step forward toward that. If you are successful in this, then something more will be done. Then, I will question to you whether you will refrain from handing over this concern to M/s. Bajaj. Kindly explain all these things.

SHRI RAMASHRAY PRASAD SINGH (Jahanabad) : Mr. Deputy Speaker, Sir, the reply given by the Government on the calling attention motion clearly shows that the Government is ignoring our national industrial policy. The Government has told that Scooters India Limited suffered a loss of Rs. 105 26 crores on 31.3.87. This loss surely did not take place within a year; the process of it must have started much before. I want to know from the Government as to why it has not implemented the suggestions for reducing the losses given by the Committee which was set up to go into the causes of loss ? Had there been losses in spite of the implementation by the Government of the suggestions made by the Committee, then it would surely have been a subject worth

consideration. The Government constituted committees time and again which included technical committees, Parliamentary committees etc. and the report of each committee was that management is not capable. Why have you not been able to check the losses, when they told about this ? They recommended that the obsolete machinery should be modernised and the technicians, who have to produce all these thing, should also be consulted, but the Government has ignored all these suggestions and is now raising the issue of the loss. The loss has not taken place in one go. If the Government really wanted to strengthen the public sector, then, it should have implemented the reports presented by the committees. Who is responsible for it ? Government have not implemented the suggestions. Even in 1985, you are giving it to Escorts and they promised to employ all its employees but even at that time, there was a lot of opposition and after that Government closed the matter and it remained in public sector. What are the reasons that today Government intends to give it to Bajaj ?

This factory was established by our late hon. Prime Minister Shrimati Indira Gandhi, in order to bring an end to the monopoly. At that time Bajaj had a monopoly and it was charging Rs. 4-5 thousand as a premium for selling a scooter to the people. In order to stop such a loot, Scooters India was established so that monopoly may come to an end. But today, Government is encouraging monopoly and thus going against the late Prime Minister's wishes. They should consider the fact as to why they formed such a view. At the time of manufacture of this scooter, there was demand of this scooter in the market. The people thought of buying it because of its durability. What happened to its management ? Four managers have been employed where only one would have sufficed, and similarly, seven Director General (M) have been appointed where only one D.G. was sufficient. You should let us know as to how much extra expenditure has been incurred on the management and how many extra people were employed due to which all this loss has been there.

I want to submit that we should not go against our national policy. Today Government have decided to give it away at Rs. 25-30 crores and provide them the same amount in the form of loan. No doubt, they will have to invest Rs. 5 crores and Government is making available to them a sum of Rs. 25 crores in the form of loan. This shows that they are giving them as a free gift. Government should give this Rs. 30 crores after having talks with the employees and give them another opportunity to run it. Thereafter, Government should take consensus and constitute a Managing Committee. Soon after giving this amount of Rs. 30 crores, you will understand whether the company shows profit or not. You should not go in for any anti-people policy which may harm anyone. You cannot take any arbitrary decision. This is not something to be mortgaged. You should do whatever is reasonable. You should follow only the national policy which has been formed in this connection. We should not go against it. The step that you are taking by selling 'Scoters India' to some other is entirely wrong. I also understand that you are selling it free of cost. I want to know its reason from the hon. Minister. You are doing this only to make someone a millionaire and multimillionaire. If you are capable and want to perform your duties honestly, then you should save the thousands of people who may suffer as a result of this action. You should consider all these things calmly and should not give it to Bajaj. You should not earn bad name by resorting to such a step. If you strengthen the public sector, the nation will surely be benefited. You are not at all following the path of socialism.

[English]

SHRI ANANDA PATHAK (Darjeeling): Mr. Deputy Speaker, Sir, at the outset I am dead opposed to the decision of the Government to hand over Scooters India Limited to M/s. Bajaj Auto Limited. We find the Government is acting unilaterally. They have not brought this matter before the Consultative Committee for the Ministry of Industries. They have not discussed this matter with the workers. They have not brought the matter before the public for their opinion. But, unilaterally they

have done this. This is not the only one case. We find that in the name of socialism, the Government is going to denotify one industry after another. For example, in our Bengal, you will find that there are many industries which have been denotified. I would like to cite a few of such units for your information. They are : (i) Containers & Closures Ltd. (ii) Indian Rubber Manufacturing Company (iii) Catter Pillers & Co. (iv) Motor Machines Manufacturing Company and (v) Sri Durga Cotton and Spinning Company. In this way, they are denotifying one industry after another. Besides this, there are many units which have been closed down. Regarding such units, the Government has not got any policy and is not doing anything. I cite a few units which have been closed down. They are : (i) Titagarh Paper Mills (ii) Bengal Paper Mills (iii) Hindustan Pilkingtons (iv) Bengal Immunity and like that there are so many units. What I would like to point out is that if any unit is to be made viable or profitable, it is the duty of the Government to discuss this matter with the workers ; to sit along with the workers and find out the ways and means. But, instead of doing that, they are going the other way round. My apprehension is this. They have some understanding with IMF. The IMF wanted not to nationalise any industry and advocated about privatisation. Now they are following the same policy. That is why this disaster has come to us now. Therefore, I want to know from the Government whether the Government will review the position and change its drastic policy or not. If an industry is not viable or profitable the Government has to think as to how that could be made viable or profitable and Government should think over that such sick industries should be nationalised in the interest of public and the public exchequer. Already, 1,45,000 industries have been closed down in our country. Thousands and thousands of workers have been thrown out of employment. In such a situation, now we are finding another example that Scooters India Limited is going to M/s Bajaj. Hundreds and thousands of workers will be thrown out of employment. Therefore I want to know categorically as to what the Government is going to do about this. I

[Shri Ananda Pathak]

would like to know whether the Government will reconsider the matter before handing over it to the Bajaj company and retain it, revive it and make it profitable and viable in consultation with the workers concerned and trade union concerned. That is my point.

**SHRI SURESH KURUP (Kottayam):** Mr. Deputy Speaker, Sir, the seriousness of the problem has already been mentioned by my colleagues here. The cavalier manner in which the Government approaches the whole problem is evident from the reply itself in which vital facts are cleverly covered up.

Sir, this is the first time in India that a public sector concern is going to be handed over to a private sector giant and the Minister's statement about losses are correct. But as I mentioned earlier, he has deliberately avoided mentioning certain vital facts about this unit. The API and Innocenti who were running this unit earlier very cleverly and cunningly put the unit under the responsibility of the Government of India, and they withdrew from the whole scene. After the Government of India took it over, all the machines were renewed and plants were modernised through the years. But even then not even a single year, the company made any profit. So the Government appointed different committees, mentioned by other Members. At least four committees have gone into the functioning of this unit including the committee on Public Undertakings. And none of the recommendations of these committees have been implemented. Not even a single recommendation of the Committee on Public Undertakings was implemented and the Committee has actually questioned the decision to purchase its old plant and it has at least given 21 recommendations to revamp the plant. I would like to know from the Minister why have they rejected the whole thing and why was none of the recommendations of this Committee implemented?

Sir, it is painful to know that such an

important unit is not having a full-time Chairman, a full-time Managing-Director and no functional Director for the last five years. And the person who is deputed from the Indian Railways is acting as the Executive Director and nobody is responsible and nobody is there to look after the unit and still the Government wants the unit to run in profit. And even in this state of confusion, this unit has successfully managed to produce a seven-seater which is known as 'Vikram' and which is quite commonly used in Uttar Pradesh. Other States have not allowed this scooter to enter into their States and it is only a matter of time. It has proved beyond doubt that this seven-seater has a market in this country and Government of India has given Rs. 05 lakhs to Honda and now they have developed a new design which is about to be marketed. At this stage, Government wants to hand it over to Bajaj. Sir, in 1976, the then Minister for Industries Shri T.A. Pai wanted to sell this unit. But at that time, nobody wanted it. Bajaj was not in the picture; no other private sector units came forward to take over it. Why, at this juncture, after 10-12 years, Bajaj wants to take over this unit? It is because they know that this 7 seater is a profitable thing and the new design can also be marketed well.

The workers have already submitted serious proposals to revamp the unit. I would like to know from the Hon. Minister whether they have considered it. They have already volunteered saying that they are capable of running this unit. They said 'it is our proposal, whether Government has considered all these things'.

Above all, what is the mechanism the Government has adopted to sell off this unit? Even if you have to sell off a thrashed property of the Government of India you have to advertise first. What is the modus-operandi of this? Have you advertised it?

Some other persons may be interested to buy this unit. Some other private sector units may be ready to buy this unit or some other public sector unit itself may be ready. If I understand right, HMT is ready to take over it.

Sir, everything connected with this deal is shady ; nothing overboard. Under-hand dealings are there. I would like to know what liability Government of India is raising out and how much liability Bajaj is taking out. The Minister is very much amused about all these things ; he is thinking what these fools are saying. Why is he so much amused about all these things ? He is presiding over the disintegration of the public sector units of this country. Workers are going to be retrenched.

I request the Minister to rethink about this even at this juncture, seriously consider the proposals put forward by the workers to revamp the whole unit and withdraw from the step taken by the Government to hand it over to Bajaj. He should also explain how much money Bajaj is going to pay over this unit.

[Translation]

SHRI HARISH RAWAT (Almora) :  
Mr. Deputy Speaker, Sir, I am a great admirer of Hon. Minister and I understand that people of Andhra Pradesh cannot forget what he had done for them as Chief Minister of that State. But I would like to quote the last portion of his today's statement which is as under :—

[English]

“The decision to transfer the assets and liabilities of the Scooters India Ltd. is on the basis of past performance of this individual unit and with a view to consolidating the capacities in this non-basic and non-strategic sector Government have not taken any policy decision to privatise public sector units.”

[Translation]

One can observe two things from his statement. One thing is that Government may be pressurised to hand over those public sector units in the non-strategic sector which are running at loss to the private parties which are doing good work in their field, though it might be due to

the Government's policies. So they also can pressurise the Government in future to sell such units to the private parties.

The other thing is that by stating in the last portion of your statement that this is not a policy decision, you have expressed the same apprehension which we have in our minds that what is the guarantee that whatever is being done with S.I.L. will not be repeated with other public sector unit. The question is not that of handing over a unit to Bajaj or any other party but the question is of handing over of a public sector unit to the private hands, howsoever big industrialist he may be. Beginning of this practice would be detrimental to the interest of the country in future. It will create an atmosphere which will be harmful to the nation. Therefore, I request you to consider this matter de-novo. Hindustan Paper Corporation, N.T.C. Kolar Gold Mines and besides these undertakings there are several other units which are running at a loss. Today, some newspapers and people are trying to create an atmosphere in favour of Bajaj, then what is the guarantee that in future others will not try to create such atmosphere to give other public sector units, public sector undertakings, on lease to the private people. Who is responsible for the loss of Rs. 105 crores or more in Scooters India Ltd. ? If we examine this matter, then I would like to know whether the people sitting in the Ministry of Industry are not responsible, who have been ignoring this loss for years and did not take remedial steps in this respect. They did not implement the recommendations made by the Parliamentary Committee, Committee on public undertaking. Against whom Government is taking action for this ? There has been no Managing Director since 1984 and the work is being done by an Executive Director who has also been brought here on deputation and moreover, his deputation period is already over. Who is responsible for it and how will you justify that you could not appoint a Managing Director since 1984. How shall we be able to satisfy the general public with this argument that we are not responsible for this loss. Is it not a fact that according to the advice of the Committee on Public Undertakings, the Scooters India Ltd.

[Shri Harish Rawat]

had sought the approval of the Ministry of Industry for mass production of 60 thousand scooters which were described as break-even point. But the people in the Ministry of Industry dumped the file and they did not give permission to S.I.L. management to reach that point. Is it not a fact that S.I.L. management applied several times for technical collaboration which was allowed in so many cases and also to Bajaj but the same was turned down every time by the Government. Some technical collaboration was allowed to Bajaj and others. To enhance their capacity, S.I.L. management submitted their proposal to get help from financial institution but Government turned it down also. They applied for all India permit for the production of Vikram and Mini models which are very popular in India and particularly in U P. But people in the Ministry dumped that file also. Whose responsibility is this? I would like the hon. Minister to clarify these points and tell the people of India actual position through this Parliament.

I would also like to say that a most fuel efficient 100 c.c. Semi-Model, whose fuel consumption is about 60 k.m. per litre, has been manufactured & is ready for sale. But the present Management and the officials sitting in the Ministry of Industry are not giving permission to sell it because Bajaj is going to take it over and they do not want to give credit to the employees of S.I.L. for this model. The hon. Minister will have to reply to all these points.

I would like to urge to the hon. Minister that apart from looking into these points, he may also please find out the number of officers who are dealing with two-seater scooters in Department of Industries and getting ready to leave the Department and join the Bajaj group. According to my information, all these things happened during the tenure of an officer who left the Department and joined the Maruti Udyog Ltd. He is now trying to go from Maruti to Bajaj group. This bungling has been done during his tenure.

You will be surprised to know that

the total property of Scooter India Ltd. has been evaluated at Rs. 18 crores and it is being sold to Bajaj for Rs. 20 crore. Apart from this, Rs. 25 will be given to Bajaj by financial institutions. The Bajaj group will invest only Rs. 5 crore by taking from here and there. It includes 150 acres of land which is near Lucknow. If that land is auctioned to anyone, it will fetch Rs. 30-35 crores. At present the entire property of S.I.L. would be worth more than rupees two hundred crores. If the Bajaj group gets this property in just rupees 20 crore, then I understand that Bajaj is the most lucky one in the world and we are the biggest donor in the world.

Therefore, I would like to request you to look into this matter thoroughly. The case about the sickness of S I L has been made out deliberately. Let a Parliamentary Committee investigate this case thoroughly. If it is proved that workers are at fault and because of trade union activities S.I.L. has become sick, then the workers should be dismissed and they must be shunted out. If some other persons in the Management are at fault or the officials sitting in the Department of Industries are found guilty, then the action should be taken against them.

I also want to draw your kind attention towards a humanitarian aspect, Uttar Pradesh is the most backward and poor State. It has the largest number of unemployed persons. The S I L. has provided employment to 3200 persons. The Bajaj group has already put the condition that if this property, which has a huge public investment, is given to them, then the Government of India would itself have to write to these employees that their services are no more required. They will be given the pay of one or two months in accordance with the rules and they will go to their homes. Those who have worked there for fifteen years, will be shunted out. Then Bajaj will be asked to take over this property. Bajaj has told with great magnanimity that they will keep only fifteen hundred employees in the job who will be found capable according to them. If they are found incapable, then they will not be given job. In this manner



seventeen hundred people will become unemployed. There will be element of uncertainty in so far as their jobs are concerned. The hon. Minister should also let us know as to who will be responsible for these persons who will be thrown out of employment.

[English]

SHRI INDRAJIT GUPTA (Basirhat) : Before the Minister replies, he should begin by telling us whether they will reconsider the whole thing and then tell us the facts. Have some respect for parliament and then for the Committee of Parliament.

SHRI J. VENGAL RAO : The Members, who moved this calling attention motion, have already participated in the discussion on my Statement. The fact is that the Government is not against the public sector.

SHRI BASUDEB ACHARIA (Bankura) : Then why are you handing over this unit ?

SHRI J. VENGAL RAO : Kindly listen.

(Interruptions)

SHRI SOMNATH CHATTERJEE : Kindness only to Bajaj.

SHRI J. VENGAL RAO : No, no, Mr. Somnath Chatterjee, kindly have some patience. I am not a young boy. You cannot provoke me. I know you said that we are clerks in this Government. I enjoyed. I had my innings in politics. Don't underestimate...

SHRI SOMNATH CHATTERJEE : No, no. You are part of this Government.

SHRI J. VENGAL RAO : Yes, Sir a part of this Government as Cabinet Minister. It is a collective responsibility. I must perform.

SHRI SOMNATH CHATTERJEE : Although against your wishes.

SHRI BASUDEB ACHARIA : He has already admitted.

SHRI J. VENGAL RAO : No, no.

MR. DEPUTY SPEAKER : Don't disturb him.

SHRI J. VENGAL RAO : No, I told him about the responsibility of the Cabinet. It is a joint responsibility. (Interruptions)... We considered all the aspects. We considered all the recommendations of the Committee. We offered the workers to manage this unit.  
(Interruptions)

13.00 hrs.

SHRI BASUDEB ACHARIA : Did You discuss it with the representative of the workers ?

(Interruptions)

MR. DEPUTY SPEAKER : You have listened one part. Let him say the other part also.

(Interruptions)

SHRI J. VENGAL RAO : I heard you patiently. Why don't you listen to me patiently ?

(Interruptions)

SHRI NARAYAN CHOUBEY : Our Statements are correct but yours is far from true.

MR. DEPUTY SPEAKER : You can move the Privilege Motion.

SHRI J. VENGAL RAO : We are incurring a loss of Rs. 2 crores every month.

SHRI INDRAJIT GUPTA : Why ?

SHRI BASUDEB ACHARIA : Have you gone into this ?

SHRI J. VENGAL RAO : This unit is outdated unit. They are not in a position to compete with the modern vehicles in the market. Nearly, the licence capacity of the modern vehicles is 60,000.

[Shri J. Vengal Rao]

They are producing 16,000 two-wheelers in the country with the collaboration of Japan and other countries. Not only this, when I was the Chief Minister, with this collaboration of the Scooters India, we sorted IFS scooters also. The position of Avanti scooters also is the same. It is also closed. I know very well about it. Our friends do not know about all these things and they said about Vikrant or something. About Vikrant only UP Government gave the roadworthy certificate. The other States did not give the certificate. They are not willing to purchase that vehicle and allow them in the States. There are so many others. So many people came and Escort people also came. Bajaj Tempo people also came. They came and pressed. They visited the plant and negotiated. They said that they withdraw the offer. There is no other alternative for the Government.

SHRI SURESH KURUP : Have you advertised ?

SHRI J. VENGAL RAO : The first option is closure and the second option is to give is to somebody. There are 3330 workers there. They will lose their jobs. There is no other alternative to save the workers, except that Bajaj came forward to manage this unit. That is why there is no other ultra-motive.

SHRI BASUDEB ACHARIA : Bajaj will retrench 2000 workers.

SHRI J. VENGAL RAO : Negotiations have not yet been finalised. They are going on. I will certainly take care of all these things before the final negotiations. There is no other alternative.

*(Interruptions)*

SHRI SAIFUDDIN CHOWDHARY (Katwa) : This is no reply at all.

SHRI NARAYAN CHOWBEY : ...whether it is a fact or not that Bajaj was allowed to hold the licence. Why do you allow Bajaj to.

*(Interruptions)*

MR. DEPUTY SPEAKER : No interruptions please.

SHRI BASUDEB ACHARIA : This is no reply. In protest I walk out.

*[Shri Basudeb Acharia and some other hon. Members then left the House]*

13.04 hrs.

*[English]*

BUSINESS ADVISORY COMMITTEE  
Forty-Ninth Report

THE MINISTER OF STATE IN THE  
MINISTRY OF PARLIAMENTARY  
AFFAIRS (SHRIMATI SHEILA DIK-  
SHIT) : I beg to move :

“That this House do agree with the Forty-ninth Report of the Business Advisory Committee presented to the House on the 29th February, 1988”

MR. DEPUTY SPEAKER : The question is :

“That this House do agree with the forty-ninth Report of the Business Advisory Committee presented to the House on the 29th February 1988.”

*The motion is adopted*

MR. DEPUTY SPEAKER : The House is adjourned to re-assemble at 2.05 PM.

13.05 hrs.

*The Lok Sabha adjourned for Lunch till five minutes past Fourteen of the Clock.*

*The Lok Sabha re-assembled after Lunch at nine minutes past Fourteen of the Clock.*

MR. DEPUTY SPEAKER *in the Chair*