

No. G. S. R. 357 (E) in Gazette of India dated the 12th April, 1985, under sub-section (3) of section 48 of the Life Insurance Corporation Act, 1956.

- (2) A statement (Hindi and English versions) showing reasons for delay in laying the notification mentioned at (1) above. [Placed in Library. See No. LT-933/85].

Annual Report, Annual Account and Review on the working of the National Council of Science Museums, Calcutta. Statement showing reasons for delay in laying papers on the Table

THE MINISTER OF STATE IN THE DEPARTMENTS OF PERSONNEL AND ADMINISTRATIVE REFORMS AND CULTURE (SHRI K. P. SINGH DEO) :
I beg to lay on the Table :

- (1) A copy of the All India Services (Provident Fund) Amendment Rules, 1985 (Hindi and English versions) published in Notification No. G. S. R. 338 in Gazette of India dated the 4th May, 1985, under sub-section (2) of section 3 of the All India Services Act, 1951. [Placed in Library. See No. LT-935/84].
- (2) (i) A copy of the Annual Report (Hindi and English versions) of the National Council of Science Museums, Calcutta, for the year 1983-84.
- (ii) A copy of the Annual Accounts (Hindi and English versions) of the National Council of Science Museums, Calcutta, for the year 1983-84 together with Audite Report thereon.
- (iii) A copy of the Review (Hindi and English versions) by the Government on the working of the National Council of Science Museums, Calcutta, for the year 1983-84.
- (3) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (2) above. [Placed in Library. See No. LT-935/85].

12.10 hrs.

MESSAGE FROM RAJYA SABHA

[English]

SECRETARY-GENERAL : Sir, I have to report the following message received from the Secretary-General of Rajya Sabha :

"In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Appropriation (No. 4) Bill, 1985, which was passed by the Lok Sabha at its sitting held on the 7th May, 1985, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill.

12.12 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

[English]

Situation arising out of the reported closure of Rohtas Industries Limited resulting in unemployment of large number of workers

SHRI MAURICE KUJUR (Sundargarh) :
I call the attention of the Minister of Industry and Company Affairs to the following matter of urgent public importance and request that he may make a statement thereon :

"The situation arising out of the reported closure of Rohtas Industries Limited resulting in unemployment of large number of workers and the action taken by the Government in the matter."

THE MINISTER OF CHEMICALS AND FERTILIZERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VEERENDRA PATIL) : Rohtas Industries Ltd. (RIL) belongs to Sa'hu Jain Group. It has five undertakings in its Dalmianagar Complex, namely cement, paper asbestos, vanaspati and vulcanised fibre. In addition the company had a vanaspati unit in Jaipur which has since been disposed of by the original promoter in July 1984. The Company employs about 10,000 regular workers and 5000 casual/contract workers. The operating

[Shri Veerendra Patil]

results of the company have been unsatisfactory since 1977-78 and it has been incurring losses continuously. As on 31-12-1982, the accumulated losses and intangible assets aggregated to about Rs. 12.32 crores against subscribed and paid up capital of Rs. 6.04 crores and the reserves and surplus of Rs. 1.01 crores. The company has defaulted in the payment of various dues including statutory liabilities amounting to over Rs. 30 crores. Due to liquidity constraints RIL was unable to make current payments and as a result, it ran into serious difficulties in regard to supply of materials and services. On account of the uncertainty about the future of the company, there was a steady exodus of qualified and experienced personnel, which added to the already serious operational problems faced by it. The company declared a series of lay offs and lockouts for varying periods during 1982, 1983 and 1984. According to the Government of Bihar, the RIL units at Dalmianagar have remained closed since 9-9-1984.

According to the detailed diagnostic study undertaken by IFCI, the main reasons for sickness for RIL are (i) management deficiency (ii) lack of modernisation. Various efforts to revive the company have been made and consultations have been held between IFCI and other financial institutions, State Governments and the concerned Ministries. A rehabilitation package finalised by the financing institutions in June, 1983 which comprised of rehabilitation and modernisation/expansion of various units at the Dalmianagar Complex and expansion of the Vanaspati Unit at Jaipur, was approved by the Guidance Committee of the Ministry of Finance in February, 1984. This rehabilitation package was based on various assistance/reliefs and concessions to be given by the institutions, the State Governments, Ministry of Industry and Railway Board. In the meantime, in July, 1984 the RIL disposed of its Vanaspati Unit at Jaipur Company which was the only profitable undertaking of the thereby necessitating a fresh look at the whole package of assistance as the cash contribution of this unit in the overall operation of the company was now no longer available. Financial Institution took an adverse view of the sale of the Vanaspati Unit at Jaipur and expressed their total lack of faith in the management of RIL. The institutions also expressed strong doubts about the viability of Rohtas Industries Ltd.

A series of inter-departmental meetings have been held to discuss the affairs of RIL and the prospects of revival. These discussions have revealed that the financial position of the company has further deteriorated in view of the total liabilities having increased to nearly Rs. 75 crores, and the unit has no prospects of viability.

MR. SPEAKER : I would like to request the hon. Members not to talk standing in the aisle. This is not the way to talk to each other, they must learn all these things. Hon. Members, this is not the way to do it. If you want to have some parleys, you can go outside and have it, but don't disturb the hon. Minister and the hon. Members who are on the job. Please don't do it.

SHRI MAURIC KUJUR : Sir, the Rohtas Industries Limited at Dalmia Nagar is the second largest private sector company after TISCO in Bihar and it has remained closed since last September. Since then, about 15,000 workers have been thrown out of employment and are forced to face starvation.

May I know from the hon. Minister what legal action was taken by the Government against the management of for throwing thousands of workers and their families on the street ?

Has the management paid all the outstanding dues of the workers or those are still pending ? If so, how much are the outstanding dues ?

Has ever the State Government of Bihar moved the Central Government to take over the management of these units ? If so, what steps do the Government propose to take for the revival of these units and to protect the interest of both the State and the workers ?

SHRI VEERENDRA PATIL : Sir, as I have already explained the position of these units is really very bad.

12.16 hrs.

[MR. SPEAKER *in the Chair*]

The hon. Member wanted to know about the dues of the workers outstanding. The dues of the workers outstanding are of the order of Rs. 7 crores. As the hon. Member has mentioned

about 15,000 workers are involved because it is a very big complex where these workers are working and the unit is closed now. Therefore, I have mentioned in my statement, the efforts made by the Central Government and the State Government to revive these units. But unfortunately, the financial position of the unit has further deteriorated and when the financial institutions were thinking of rehabilitation of this unit, the management suddenly dispose of one unit at Jaipur which was making profit. So, the financial institutions have lost faith in the management. After that, there were discussion in the Industries Ministry; there were discussions in the Finance Ministry; there were discussions with the Chief Minister and the State Government representatives.

So far as taking over is concerned, I think, it is for the State Government to consider. I feel that the State Government is considering it. If the State Government wants to take over and run these units, whatever assistance, whatever cooperation and whatever help they want from the Central Government, we are prepared to consider and extend all possible help to them. I do not know whether the Government of Bihar will be in a position to rehabilitate all these units because there are several units in this complex and if they want to rehabilitate the unit one by one, then to that extent, the workers will have to cooperate with the Bihar Government. I know the present Chief Minister of Bihar who is himself an eminent trade-union leader and he has all sympathies for the workers and therefore they are considering seriously how best to get over this difficulty and find a satisfactory solution. I can only say that if the Bihar Government is thinking of any such proposal, to that extent, whatever help is required and whatever help is possible from our side, the Government of India is prepared to consider, if such proposal comes to the Government of India from the Bihar Government.

[*Translation*]

SHRI ZAINUL BASHER (Ghazipur) : Mr. Deputy Speaker, Sir, the Rohtas Industries Ltd. is located in a very backward area of Bihar. It is in fact located between the two quite backward areas of Bihar and eastern Uttar Pradesh. 15,000 workers, 1,000

regular workers and 5,000 contract/casual workers, are employed there. Besides, a large number of other people are also benefited by it. There are other contractors, markets and transport companies directly or indirectly connected with it.

The Rohtas Industries Ltd. has been lying closed since September last. It has not only affected the livelihood of the workers employed there and their families but has shaltered the economy of that area also. The entire area has been badly affected by it.

There was a time when the Rohtas Industries Ltd. used to be a prosperous industry. Its owners earned good profit from it. But they utilised their profits in other areas instead of utilising it for the modernisation and expansion of this industry. This industry produces paper, vanaspati ghee and cement. They run a railway line also and carry both passenger and goods traffic. I do not know whether that line has recently been nationalised or not, but this line is also lying closed. The factory is also lying closed.

A very important aspect is that the raw material used in this Industry in the manufacture of paper, cement, vanaspati, etc. is available in abundance in that area itself. All these are essential commodities. These commodities are now in short supply in the market because of closure of this industry.

Besides, it has adversely affected the livelihood of the workers. The Government of Bihar tried to help restart this industry somehow or the other because its closure was adversely affecting the economy of Bihar. They gave certain concessions also, the details of which have been furnished by the Minister in his statement. Some financial institutions also wanted to provide assistance to it...(*Interruptions*)

This industry is located in Mr. Tiwari's district and not in his constituency.

(*Interruptions*)

[*English*]

He is very much concerned about the closure of the mill.

[*Translation*]

But before the financial institutions could help them and the Bihar Government