

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

[Shri Zainul Basher]

could give them some concessions in regard to the repayment of their dues, they sold their Jaipur Unit. The Jaipur Unit was a viable unit. After the sale of that unit, the Government of Bihar lost confidence in their management. Now they are not prepared to extend any concession or facility to this industry.

What are the reasons why this very old and once old prosperous industry, which had provided employment to many people in the backward area, has been closed? The main reason which the hon. Minister has stated in his statement and which we all know, is its bad and inefficient management. Bad management has ruined a very useful industry. The second reason is their *mala-fide* intention. Perhaps they thought that they might not be able to earn more this industry and so, they started gradually transferring elsewhere the funds invested by them in it. They started doing so to earn profit or to get benefit in some other ways. They have not even deposited the provident fund amount of the workers for the last four years. It is a criminal act. Questions were raised in this House also that the amount of the provident fund of the workers had not been deposited by them for the last four years. I understand that no action has been taken against this criminal act. It is a very serious matter. The main point is what to do with that industry, how to get it restarted. Mr. Deputy speaker, Sir, as I said earlier, the closure of the Rohtas Industries Ltd. has shattered the economy of eastern U. P. and Bihar. This industry has to be restarted. The Government of Bihar had sent a proposal 4 or 5 months ago that the Central Government should take over this industry and after taking it over, it may be nationalised later on. The first step is to take it over and the second step is to nationalise it. I would like to know whether the Central Government have received any such proposal from the Bihar Government and if so, why they have not taken any action on it so far. The time for taking it over is over now. The livelihood of about one lakh people directly depends on this mill. If, on an average, a family consists of five to seven members, then at least one lakh people are on the verge of starvation today. The Rohtas Industries Ltd. has been lying closed for the last more than 6 or 7 months but no efforts have been made to get it restarted.

The Bihar Government and certain financial institutions have tried to provide concessions and facilities to the management of the mill, but inefficient management is unable to run this mill despite all these concessions and facilities. I, therefore, demand that this mill be nationalised. The earlier it is nationalised, the better it would be. It is no use delaying its nationalisation. In his budget speech, the hon. Finance Minister had said that inefficient management would be punished. But the management of this industry is not being punished even after the lapse of such a long time. Now, they have lost the confidence of the Bihar Government and the financial institutions, what to talk of getting assistance from them. I, therefore, strongly demand that the Rohtas Industries Ltd. be nationalised. Arrangements should be made to reopen their mill as early as possible. I would like to know when you propose to make arrangements for its reopening? Many questions arise in respect of this factory—whether criminal cases would be filed against them or not; whether a case would be filed against them for not depositing the amount of provident fund; whether the money advanced by the financial institutions would be recovered from them or not. I do not want to raise these questions, because there is no need of them. I would only like to ask when this mill is proposed to be nationalised and the arrangements made to reopen it.

[English]

SHRI VEERENDRA PATIL : I have already said that the state of affairs so far as this unit is concerned is very bad. I can give the figures so that the Members can appreciate the real position. The fixed assets of the company as on 1-3-1984 was Rs. 18.29 crores. The depreciation on the fixed assets value upto 1-3-1985 was Rs. 2.45 crores. The net value of the assets as on 1-3-1985 comes to Rs. 9.84 crores. As against the assets of Rs. 9.84 crores, the liabilities as on 12-11-1984 were of the order of Rs. 75 crores. The hon. Member wanted to know what steps the Government of India proposed to take to revive this unit or take over this unit or nationalise this unit. Very recently an exercise was made in the Finance Ministry. A Committee was asked to go into that and that Committee has prepared a rehabilitation scheme. According to the scheme prepared by the Finance Ministry for rehabilitating the unit, the amount required

is Rs. 174 crores. Since a large amount is required for revival of this unit, I want to tell the hon. Member and also the House, because the hon. Member wants to know whether the Government of India wants to take over this unit, whether the Government of India wants to nationalise this unit—I may humbly submit that the Government of India is not in favour of either taking over this unit or nationalising this unit because so far as the nationalisation question is concerned, it does not fit in the criteria that are laid down by the Government of India for nationalisation; we feel that this unit is not fit for revival. If the Government of Bihar wants to nationalise, then it is for the Government of Bihar to consider it and take whatever necessary action they propose to take or they intend taking in this matter. As I have already mentioned, if the Government of Bihar wants to nationalise or wants to revive some of the units, to the extent possible we are here to extent all support that we can to the Government of Bihar. We have already said this to the Government of Bihar. In fact, they demanded that the Government of India should nationalise, and we have made it very clear to the Government of Bihar that we are not in favour of nationalisation. We have made it clear that, if the Government of Bihar wants to nationalise, it is for them to take a decision in the matter. So, there is no question of the Government of India either taking over or nationalising this unit. If the Government of Bihar comes forward with any concrete proposals, certainly the Government of India will consider.

12.33 hrs.

STATEMENT *Re* : FREIGHT RATES FOR SALT FOR HUMAN CONSUMPTION

[English]

THE MINISTER OF RAILWAYS (SHRI BANSI LAL) : Hon. Members may recall the general discussion on Railway Budget which took place in March 1985 and my reply thereto on 20th March 1985. The revised fare and freight rates have accordingly taken effect from 15-4-1985. However, some of the Hon. Members had made mention about giving some relief in the matter of freight rates for salt for human consumption. We have been giving considerable thought to

this matter. In deference to the wishes of the Hon. Members and on grounds of sentiment, I have decided to exempt salt for human consumption from the levy of the 10% supplementary charge, on consignments moving over 500 kms. I, therefore, announce that the 10% supplementary charge imposed on goods traffic with effect from 15-4-1985 will not be leviable on salt for human consumption with effect from 1-6-1985.

12.35 hrs.

ANDHRA PRADESH LEGISLATIVE COUNCIL (ABOLITION) BILL

[English]

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARADWAJ) : I beg to move for leave to introduce a Bill to provide for the abolition of the Legislative Council of the State of Andhra Pradesh and for matters supplemental, incidental and consequential thereto.

MR. DEPUTY SPEAKER : The question is :

“That leave be granted to introduce a Bill to provide for the abolition of the Legislative Council of the State of Andhra Pradesh and for matters supplemental, incidental and consequential thereto.”

The motion was adopted.

SHRI H. R. BHARADWAJ : I introduce the Bill.

SHRI S. JAIPAL REDDY : I think this is a non-controversial Bill. It can be taken up immediately.

MR. DEPUTY SPEAKER : Now it is only the introduction stage.

12.37 hrs.

MATTERS UNDER RULE 377

[English]

- (i) Need to give top priority in the Seventh Five Year Plan for irrigation projects in India

SHRI HUSSAIN DALWAI (Ratnagiri) :