

MR. DEPUTY SPEAKER: Now we go to the next item—item No. 12. Shri Vengala Rao.....

*(Interruptions)*

SHRI DINESH GOSWAMI: Sir, he has not given even the minimum indication of the relief that is going to come.....  
*(Interruptions)*

MR. DEPUTY SPEAKER: Shri Vengala Rao.

SHRI DINESH GOSWAMI: As a protest we are walking out.

SHRI BASUDEB ACHARIA: We are walking out as a protest.

17.36 hrs.

*{At this stage Shri Basudeb Acharia and other hon. Members left the House.}*

**BRENTFORD ELECTRIC (INDIA) LIMITED (ACQUISITION AND TRANSFER OF UNDERTAKINGS) BILL**

THE MINISTER OF INDUSTRY (SHRI J. VENGALA RAO): Sir, I beg to move:

"That the Bill to provide for the acquisition and transfer of the undertakings of the Brentford Electric (India) Limited, with a view to securing the proper management of such undertakings so as to subserve the interests of the general public by ensuring the continued manufacture and production of electrical equipments which are essential to the needs of the economy of the country and for matters connected therewith or incidental thereto, be taken into consideration."

Sir, my Bill is a small and simple Bill. Government have decided to acquire the Undertaking of Brentford Electric (India) Limited, by nationalisation with effect from 1st April, 1986. Accordingly, the Brentford

Electric (India) Limited (Acquisition and Transfer of Undertakings) Bill 1987 has been introduced in the Lok Sabha for consideration and passing.

M/s Brentford Electric (India) Limited has been in existence for the last about 23 years. It employs about 200 persons.

Important products of the Company are regulators, rectifiers, transformers for Defence and Atomic establishments.

*Shareholdings are:*

Andrew Yule	...	50 per cent
Brentford U.K.		40 per cent
Dr. Graham's Homes	...	10 per cent

Brentford Electric (India) Limited started incurring losses and ran into difficulties in 1978 when its funds position became critical. On the one hand there were numerous creditors whose dues were long outstanding on the other hand there were certain orders placed by Madras Atomic Power Project and Bhabha Atomic Research Centre for some critical components which were pending. Its management was taken over by Central Government with effect from 26.2.1979 and M/s Andrew Yule & Co Ltd. appointed as the authorised person to manage the affairs under the provisions of I (D&R) Act 1951. The period of the take over is due to expire on 25.11.1987.

After take over in 1979, the Unit has shown good results as regards production, sales and profit, except during the period 1982-85 when workers continued agitation.

Government approved nationalisation of this concern with effect from 1.4.1982 and its vesting in Andrew Yule and steps were being taken to introduce a Bill in the Monsoon Session of Parliament in 1983. Meanwhile, Andrew Yule were making efforts to sign an agreement with the Unions regarding service conditions.

[Shri J. Vengala Rao]

A tripartite agreement was signed on 15.11.1983 and Government introduced the Acquisition Bill in the Lok Sabha on 22.12.1983 but this Bill lapsed with the dissolution of the Seventh Lok Sabha. Finally, **a Tripartite Agreement was signed in January 1986 with the workmen and employees of this concern governing their terms and conditions.**

Settlements having been reached with the Unions, it is now proposed to nationalise BEIL by acquisition of its undertakings with effect from 1.4.1986.

As on 1.4.1986, the net value of assets of BEIL was Rs. 78.70 lakhs and its post tax over liabilities were Rs. 151.85 lakhs. The amount of compensation will be Rs. 37.50 lakhs which would be Government's investment in Andrew Yule. In order to ensure continuity of operations of BEIL, the liabilities on account of advances from customers (Rs. 20.52 lakhs) and of Sundry Creditors for supply of goods and services (Rs. 20.68 lakhs) shall be assumed by Andrew Yule and no claim is to be filed before the Commissioner of Payments.

It is proposed to appoint a Commissioner of Payments for disbursement of compensation amount as per order of priorities laid down in Schedule attached to the Bill.

With the nationalisation of Brentford Electric (India) Limited with effect from 1.4.1986 and its vesting in Andrew Yule, it is expected that the affairs of the company shall be managed with greater efficiency and the overall performance of the company will improve considerably.

This Bill is before the House now for consideration and passing.

There is one official amendment. I have given notice in that regard. I am requesting the House to consider it.

MR. DEPUTY SPEAKER: When we take

up Clause by Clause, at that time, we will take up this amendment.

We have allotted one hour for this Bill. I am, therefore, requesting the Members to be brief.

Motion moved:

"That the Bill to provide for the acquisition and transfer of the undertakings of the Brentford Electric (India) Limited, with a view to securing the proper management of such undertakings so as to subserve the interests of the general public by ensuring the continued manufacture and production of electrical equipments which are essential to the needs of the economy of the country and for matters connected therewith or incidental thereto, be taken into consideration.

DR. CHINTA MOHAN (Tirupati): On 14th August, we discussed about sick industries in India. I am very happy that in a short span the Minister has tried to diagnose the sickness of industries and also tried to prevent further industrial sickness in this country.

SHRI J. VENGALA RAO: I am not a doctor.

DR. CHINTA MOHAN: I know you are not a doctor, but an industrial doctor.

MR. DEPUTY SPEAKER: An industrial doctor, that is what he is telling.

DR. CHINTA MOHAN: The Minister has taken over this Department which has echoes of hunger, anger and sufferings of the industrial workers who are about 50 lakhs today. They are actually suffering from the sickness of industry.

Today there are about 3,75,000 small scale industries which are sick and about 2,500 large scale sick industries. A sum of Rs. 20,000 crores is involved in the industrial sickness.

SHRI J. VENGALA RAO: Only Rs. 4000 crores.

DR. CHINTA MOHAN: Minister knows much better because he is in the Department. Brentford Electric (India) Limited, as the Minister said has about 200 workers working there in the industry which has become totally sick. But I feel that there is lot of responsibility left with the Minister because so many industries are there in the country which are already sick and are also trying to become sick.

Government of India has so far given 8053 lakh licences to small, medium and large scale industries. To my mind about 3,52,000 industries have totally become sick and some of the industries are partially sick today. But whatever it is, the main reason best known to everybody sitting here is and some people say that it is due to lack of working capital or some people say it is due to lack of bank financing and some people say it is due to wrong industrial policy.

Some time back we discussed jute policy, jute industry. We have also been hearing about the drug policy. For the last 2 or 2 1/2 years I have been hearing about the new drug policy - that it is likely to come. I feel the Minister will bring new drug policy.

SHRI J. VENGALA RAO: We are bringing it.

DR. CHINTA MOHAN: I am very happy that the Minister is bringing new Drug policy to this country. Here, I would like to say a few words. People who are starting an industry in Uttar Pradesh, are trying to make this industry sick and trying to go to Calcutta and Bihar. So many large houses have inculcated this habit and they are trying to pour money outside India, not in India. I wish the Minister, who is very experienced Minister, will bring some sort of Constitutional amendment saying that these people should be brought to book and that these people should not be

allowed any further industrial licences so that industrial sickness can be cured.

In 1974, Government of India appointed Bhargava Committee. They have given so many recommendations. I understand that Government of India is not trying to implement the recommendations.

Finally, I would like to request the hon. Minister of Industry, Shri Vengala Rao, kindly to help the two industries in Tirupati. Sir, when he was the Chief Minister of Andhra Pradesh, he had started two industries in Tirupati. One is the Moped India Limited and the other is the Sri Venkateswara Cotton Mill. These two industries have totally become sick and about 700 workers in each industry have been thrown out of job because they have been closed down. I would plead with the hon. Minister that he may kindly bring forward a sort of Bill in order to see that these two industries which have been closed down due to their becoming sick are taken over by the Central Government and also other units in Andhra Pradesh are given assistance and help so that they may become viable. With these words, I conclude.

[Translation]

\*SHRI PURNA CHANDRA MALIK (Durgapur): Mr. Deputy Speaker, Sir, the hon. Minister of Industries has brought forward this 'Brentford Electric (India) Limited, (Acquisition and Transfer of Undertakings) Bill, 1987 for consideration and passing. I support this Bill and while supporting it I will like to say a few things. This Brentford company was established at Calcutta in 1964. At present this company is employing 200 persons. The BEIL started incurring losses in 1975 and ran into serious financial difficulties in 1976. At this time the Central Govt came forward to take over its management. After its take-over by the Govt. this undertaking turned into a profit earning concern, although it incurred losses for some years in between. However the main causes for running this

\* The speech was originally delivered in Bengali.

[Shri Purna Chandra Malik]

loss as has been stated in the Bill, viz. labour problems, lock outs etc., is not correct. The main cause for this concern falling sick and running at a loss was corruption, thefts, mismanagement, wastage and the industrial policy of the Govt. This is the reality. As a result of the industrial policy of the Govt. about one lakh and 30 thousand industrial concerns in the country are in a state of sickness today. We have seen that a sick unit does not become economically viable merely by taking over. To make them economically viable sufficient funds have to be allocated in the budget. It is seen that after taking over any unit, the Govt does not make sufficient efforts to make it economically viable. Moreover, the Govt does not take any action against the management who are associated with the corruption, theft and mismanagement, in spite of these being repeatedly pointed out by the labour unions. Many industrial concerns have been taken over in West Bengal e.g. Burn Standard, Sri Durga Cotton Mills, Bengal Potteries, Bengal Paper Mill, Pilkinton Glass factory etc. But even after their take over why are these concern still running at a loss? There are no labour problems or labour unrest here. After the installation of the left front Govt, in West Bengal in 1977, the labour force at these places is discharging its responsibility of smooth functioning and of increasing production. Production also has gone up considerably compared to the past. In spite of that, they are incurring losses. The main reason for this state of affairs is incompetent and inefficient management. Therefore, I will stress upon the hon. Minister that his responsibility should not end with the take over. Their working should be constantly watched. As I said earlier, the Govts industrial policy is responsible for many of the ills. Their import oriented industrial policy, the calling of global tenders etc. are causing great harm to our indigenous industries. Our factories cannot survive in the absence of orders of supplies and unless the imports are stopped.

In this context I will particularly draw

your attention to the ABL factory at Durgapur. The hon. Minister is aware that this factory is lying closed for the last one year. This is not a sick industry. But for want of orders it is turning into a sick industry. This is an advanced boiler manufacturing unit of our country. In many States of Eastern India this ABL factory was supplying high standard boilers and other advanced equipment for their thermal power stations etc. But what is the situation today? Due to the calling of global tenders, foreign companies from West Germany, Italy etc. are cornering all the orders. The foreign companies are getting all the orders from the supply of boilers and the ABL company is not getting any orders. That is why it is moving towards sickness. We have approached the hon. Minister again and again for the take over of this concern and have requested him to amalgamate it with BHEL, but we have not received any response from the Central Govt. They have of course assured us that they will place orders with this company for 4 years and that the IDBI will make investments in this concern. But for 13 crores of rupees the proposal has got stuck and the factory is not going into production as yet. Sir, the object of this Bill is very good and noble but at the same time I will urge upon the hon. Minister to nationalise all the other concerns also that have been taken over in West Bengal. To make them economically viable, more funds should be allocated in the annual budget for their modernisation and expansion. Sir, this concern, which is sought to be nationalised through this Bill, manufactures various types of advanced electrical equipment and machinery which are supplied to various State Electricity Boards, defence establishments and atomic energy establishments etc. This is a very important concern and I thank the hon. Minister for taking steps to nationalise the same. I will request that some other concerns in W.Bengal like Bengal paper mill, Pilkinton Glass factory, ABL etc. may also be nationalised and the Govt may take over full responsibility for their working. With this request and once more extending my support to this Bill I conclude my speech.

[English]

MR. DEPUTY-SPEAKER: Shri G.L. Vyas.

SHRI J. VENGALA RAO: Sir, everybody is supporting my Bill. So.....

MR. DEPUTY-SPEAKER: I do not know whether he supports or not.

SHRI M. RAGHUMA REDDY: But the ruling party is not supporting it.

[Translation]

SHRI GIRDHARI LAL VYAS (Bhilwara): Mr. Deputy Speaker, Sir, I support the Brentford Electric India (Limited) (Exhibition and Transfer of Undertakings) Bill. In this connection, I want to say that this Bill should have been brought much earlier. You know that by bringing forward this Bill you are doing good work for the country. The products of this company were being used in defence, generation of electricity and in automatic energy which are all very important for our country. You waited for 12 long years, from 1975 till today. Earlier, you did not get this idea but now when you saw that this nationalisation will benefit our country, you brought forward this Bill. I welcome it. However, the delay is not on the part of the hon. Minister; it is on the part of the bureaucracy which did not suggest that this Bill is very important for the country and this unit should be taken over by the Government as early as possible. By its nationalisation, the production of all those items which are very useful to the country should be enhanced so that the pace of our development increases and we may become self reliant. You have done a very important thing by bringing forward this Bill for which I thank you. It has been stated in the statement of objects and reasons that the Company is financially viable. The company has suffered a loss of Rs. 90 lakhs so far whereas the assets are worth Rs. 87 lakhs only. If steps had been taken earlier to check it, the liability would not have been so big as it is today. According to the statement, the company also earned profit for some years. Had the management

been efficient, there was no question of losses for a company which manufactured such selected goods. Therefore the present arrangements is welcome. There are other industries also which are viable. Though various committees of Parliament have submitted their reports to that effect, yet no decision has been taken so far.

There is a cement factory in Sawadi Madhopur called the Jaipur Udyog. It is one of the biggest cement factories in Asia and is a viable unit also. At least 5000 workers are employed in it and over 15000 persons in all depend on it. The company pays Rs. 13 crores as central excise but as a result of mismanagement, a joint management has been set up.

[English]

"Under a nursing programme by the Central Government, Government of Rajasthan and the State Bank of India."

[Translation]

The management Board constituted by the Government is headed by Shri Murari, the Secretary of your department and the unit is producing 60,000 tonnes of cement, whereas there is shortage of cement in the country and it has to be imported. The company has become sick because of the mismanagement of Sahu Jain, but no step has been taken so far to remedy it. We have been continuously demanding that since it is an important company, it should be nationalised in the interest of the country. If the financial corporation or other financial institutions could provide Rs. 7 or 8 crores to the company it can run smoothly but the Government is not in a position to do so, whereas crores of rupees are given to industrialists and they swindle it. You are not even giving a small amount to revive this industry. There is an urgent need to revive it, so that the cement requirements of the country are fully met. It is sick because of mismanagement. The company produces 60,000 tonnes of cement in a month i.e. 7.5 lakh tonnes in a year. If there is efficient management and it

achieves capacity utilisation, it can produce at least 10 lakh tonnes of cement. Therefore, there is need to revive the institution. For the last two months the State Bank of India has stopped all payments to it and your department is trying to get these released, but it has not succeeded in its effort. For the last three month the workers have not been paid their salaries and the production has stopped. Cement worth Rs. 17 crores is lying there but the dealings have stopped because the bank has stopped all payments. Therefore, the hon. Minister should pay attention in this direction. otherwise if the Government still delay its nationalisation—even after 12 years—a time will come when you would realise that nationalisation of this cement factory was in the nation's interest but by then it would be too late and the machinery would have rusted. Therefore, I urge you to take immediate steps in this direction.

**18.00 hrs**

I thank you for the step that you have taken and would once again request you to take similar step in the case of Jaipur Udyog Cement factory to nationalise it so as to make it viable. The necessary funds for its revival should be made available to the industry in the interest of workers. Our workers work in the interest of the industry. Therefore its nationalisation would be in the larger interest of the country.

The provisions have been made in the Bill for worker's Provident Fund and other Welfare measures. I thank you for this. Keeping in view these provisions it is evident that you have rendered invaluable service to the nation. I hope you would continue to serve the nation and help in reviving such industries.

With these words, I thank you.

SHRI V.S. KRISHNA IYER (Bangalore South): Mr. Deputy Speaker, Sir, I welcome this Bill. As the hon. Minister said, nobody is going to oppose this Bill. We are only taking this opportunity to make a very few suggestions. Sir, I come from a State

which is, of course, industrially progressive. Last year, we passed a Bill for the rehabilitation or take-over of the sick industries. But, now I am very sorry to say that a large number of industries, particularly in the Small Scale Sector, are becoming sick or are completely closed down in some of the areas. The industrial estate of my constituency in Bangalore was, at one time, humming with activities. But now, if one goes through that Estate, one sheds tears. That is so, of course because of so many reasons. In this connection, I would like to impress upon the hon. Minister—though of course, it may not be directly connected with this Minister that it is high time that the Government of India takes a policy decision. They should have a survey of all the sick industries all over the country. The State Governments are ready with the statistics. They know which are the industries which are sick or viable, which can be put right and which should be rehabilitated. The State Governments have got the statistics. But unfortunately, the State Governments are not in a position to come to the help of those industries. In fact, many of the small-scale industrialists have approached me. It is not easy to get money from the financial institutions like the IDBI etc. We have got the plans. Though they have got the land and everything but it is not easy to get money from them. So, the Government of India should take a firm policy in this regard. They should get a report from the State Governments and see as to which of those units can be put on the rails. They should immediately be rehabilitated and that work should be undertaken.

In this connection, I would like to make another important suggestion: It may not be directly connected with the Minister but it is connected with the Government of India. And that is about one of the most prestigious steel plants of Karnataka that was founded by the Engineer—Statesman Sir, Visveswaraiah, founder of so many industries and so many projects in our country. Sir, the Visveswaraiah Iron & Steel Limited is incurring a loss of Rs. 2 crores every month. It is financed both by the State Government and the Central

Government through SAIL. SAIL has got 40 per cent shares and the State Government has got 60 per cent shares. But it requires modernisation. There are nearly 12000 workers working there. The Karnataka Government has been urging the Central Government to see that SAIL takes-over that industry where one of the best quality steel is produced. If Government of India does not come to its rescue, it is possible that we lose Rs. 25 crores every year. Also it is likely that it may be closed down. That should not come and that should not happen. It will be a great dis-service to the Engineer Statesman Sir Visveswaraiyah. Also, 12000 workers will be out of job. So, I appeal to the hon. Minister, first of all, to see to it and have a survey of all these small-scale industries conducted. Whichever unit is sick, it should immediately be rehabilitated and if necessary you take-over it just as in the case of this Brentford Electric (India) Ltd.

Another point which I would like to make is this. So far as Karnataka is concerned, power supply also may be one of the reasons for closure. It may be because of shortage of power. It may be a transition period and the power shortage may be for one or two years. Even then, you must see wherever it is possible, the sick units could be revived and if necessary even by importing power from outside State, this should be done. You must see that the industries are rehabilitated and they are made to run on profit-lines. You must also see that they are put on the rails again. With these words, I support this Bill. Thank you.

DR. DATTA SAMANT (Bombay South Central): Out of 643 big units all over the country, each employing more than a thousand workers and one lakh and thirty five thousand small units which are closed, the Government is taking over only one small unit employing 200 workers for nationalisation today. I know, there are a number of units from Bombay who have represented. Anyway, these workers are lucky. If you put one drop of water into the mouth of a man who is dying and ask "Friends, how do you feel about it?",

nobody will say that it is a bad feeling. Out of 1,35,000 sick units, you are taking over only one small unit. But the major issue remains totally neglected by the Government. This is becoming a big business. All these big houses are run by the Government money. They are siphoning off the money to some other side and make the units sick. Then the workers shout and something is given to somebody; the black money is collected. Once the money is given to a big man, it seems that it is not the responsibility of this Government to see what he is doing further. What is happening to these four industries of Tatas? Mr. Vasant Sathe is here. The Tata Mills and the Empress Mills have gone sick. They are 100-year old mills. In 100 years they had not modernised. But now you spend Rs. 20 crores and take them over. Then you have the workers' dues; then the State Government go out saying that they are not bothered. But the assets of Tatas and Birlas went up by another Rs 200 to 300 crores every year. This is going to ruin the economy of this country. Every time I am raising it in this House, but this Government is not going to change their attitude, and that is leading to frustration. It is not merely a question of workers, but it is a question of the whole economy of this country. About 50 lakh workers are suffering. The strike and lock-out ratio has gone down. But this is the thing; these people are dictating. Out of 645 units, 500 belong to these big houses and they are getting fatter, they are earning more and more. I have got sympathy for the small units because they are not getting any help.

Coming to this unit, the hon. Minister has not mentioned about gratuity here. But that should be made very clear. In respect of the nationalised mills in Bombay, the Government has taken the responsibility for gratuity only from the date of nationalisation, and for the period prior to that, the Government has not taken the responsibility. Here you are silent about it. You have said that you are nationalising the unit. That is all. I think, you understand what I mean by this. It should be made clear that

[Dr. Datta Samant]

the gratuity for the workers will be counted from the day they joined the service.

This is a good unit. If you go into the details, you will find that they are making rectifiers, special transformers, etc. and these products are supplied to the Electricity Board, Atomic Energy and Defence establishments. Who has made this unit sick? I have got Crompton and a number of other units in my Union; and they are doing wonderfully well....

SHRI J. VENGALA RAO: This unit was taken over by the Government already.

DR. DATTA SAMANT: I know. My point is this. Who has made it sick? Let us find out. Let us do that *post mortem*. After take over by the Government, this unit was doing well for three or four years—in 1980-81-82 and later on it was not doing well. It is a mess. Let us go into the detail and not leave it like this. That is not going to solve the major problem. By your taking over a small unit, the problem is not going to be solved.

Two years back, for sick industries, a Board was appointed. Before an industry becomes sick, the Board has got powers to interfere and find out the reasons for the sickness. If the share capital goes below 50 per cent, the Board can intervene and ask what they were doing. That is the need. The Prime Minister has said that they are not going to bother about sick units because it is a liability. Every year 25,000 units will be closed in the country. Why are you not making that Board function? Let them go into the working of the units. The board has got the power to change even the director. The Board has the power to amalgamate that unit with a good unit of the same employer. The Board has got all these powers, and if they are made to function, then this sickness will go down. I do not know what is the reason why the Government is not implement-

ing the provisions of the Bill which was passed about two years back. In Maharashtra 156 Units are closed and a large number of workers have become unemployed. In 98 per cent of the cases, the cause for the closure is the employers and not the workers.

About this particular Bill, I am going to ask the Government only two or three questions. Let us have a study to find out how this unit whose products are supplied to defence establishments, etc., had gone sick. Those who are guilty must be properly dealt with. Let it be done by the Government or the employer. What are the assets you are going to get you have not mentioned here. You are going to get a big property. I expect that the person who is going to run it will be a good boss. Otherwise the person who will run it will be, sometimes, more than the grand father of Tatas and Birlas.

There are only 200 workers. They have put in nearly twenty to thirty years of service. Whatever be the number of years of service that should be taken into consideration. Otherwise I have seen in Bombay Textiles Mills, they are counting the service from the date of nationalisation of the company. I again appeal to the Hon. Minister and the Government that it is high time to see to it. Otherwise, by next year, the number of closure units will go to 1,60,000. That way, you can go on giving relief. They are taking advantage of unemployment. Let us change the economy. Therefore, at least, the little provision which you have done for the Sickness Industries Bill, let that Board function with some more powers to detect this sickness. What I say is that whenever you find that a man is dying you put something in his mouth. I don't say that it is bad.

SHRI J. VENGALA RAO: Sir, I am very thankful to all the Members who supported the Bill including Dr. Datta Samant. This is a small Bill for taking over this Brentford Electric Limited company. Though it is a small unit yet it is a good unit manufacturing very valuable items. Unfortunately on

this subject, most of the Members talked about sick industries. Recently, we had a discussion on sick industries. Now also, I wanted to impress upon the Members that Govt. is very much interested to revive the sick units because nearly 4000 crores of rupees is blocked in these sick industries. Especially in big business houses, nearly 675 and odd industries three to five hundred crores of rupees are blocked. We are very much concerned as the money of the financial institution is blocked. There are so many reasons for this sickness, namely, bad management, siphoning of funds and the industrial unrest. (*Interruptions*)

If we want to revive the sick units, we should have cooperation from people like Dr. Datta Samant. Otherwise, it is very difficult. Maharashtra is next to Bengal in regard to highest number of sick units. Therefore, I request all the labour leaders who are interested in the nation, who are interested in the production and who are interested in this industrial growth to cooperate with the Government and industry. Then only we can revive all these industries.

As has been raised by Dr. Datta Samant and others, in the amendment you can see that we are giving full protection to the employees about their salary, about their gratuity and all these things. Our Government is very much interested to give protection to these industries.

Some friends have mentioned about Tirupathi Moped and Venkateswara Textile Mills especially Dr. Chinta Mohan. It has been taken over by the National Textile Corporation. Tirupathi Moped is a private unit. Recently, last year we enacted it under BFIR Committee. Already they are considering 88 applications of the sick industries for rehabilitation. The IDBI is considering all these aspects. That is why, the Government is very much interested not to close these industries. The Government wants to bring industrial revolution in the country. That is why I want the cooper-

ation of the leaders like Dr. Datta Samant and others. Then only can we achieve the productivity and the utilisation of the full capacity.

Some friends from Jaipur mentioned about Jaipur Udyog. I am in touch with the Chief Minister. I visited Jaipur thrice and discussed it with them. There is some dispute between a private party and the State Government. We are trying to help them. It is a multipurpose project and is also producing some cement.

Some people from Bengal mentioned about the Bengal Potteries. We are at it. We are not going to close this industry.

APL is one of the best units; but because of the non-cooperation of ACC, we are not able to do anything. The Prime Minister is also very much interested in reviving this unit. The IDBI also came forward to assist this unit. But the ACC people are not cooperating. They filed a liquidation petition in the Bombay High Court. We requested them to withdraw it; but they have not yet withdrawn the liquidation petition.

DR. DATTA SAMANT: You change your economic laws.

SHRI J. VENGALA RAO: It is not a part of the Government policy. Anyhow, we are trying. It is before the Government for consideration.

About Bengal Potteries also yesterday I discussed with Mr. Indrajit Gupta about how to revive it. It was started in 1919. Now we have to modernise this unit. We need Rs. 15 crores. We are requesting the Finance Department to place the budget provision of Rs. 15 crores. We have to look after all these things.

This was taken over very long back. Now we want to nationalise it. The Bill was introduced in the 7th Lok Sabha. It lapsed then. Now I introduced it two days back. You were kind enough to allow a discussion on this. I am very thankful to you and to all the Members of this august House. I commend for consideration and passing of this Bill.

MR. DEPUTY SPEAKER: The question is:

"That the Bill to provide for the acquisition and transfer of the undertakings of the Brentford Electric (India) Limited, with a view to securing the proper management of such undertakings so as to subserve the interests of the general public by ensuring the continued manufacture and production of electrical equipments which are essential to the needs of the economy of the country and for matters connected therewith or incidental thereto, be taken into consideration".

*The motion was adopted.*

MR. DEPUTY SPEAKER: The House shall now take up clause by clause consideration of the Bill. The question is:

"That clauses 2 to 11 stand part of the Bill"

*The motion was adopted*

*Clauses 2 to 11 were added to the Bill.*

*Clause 12--(Continuance of employers)*

SHRI D. B. PATIL (Kolaba): I beg to move:

"Page 6,-  
after line 52, insert -

"Provided that remuneration and other conditions of service shall not be altered by the Central Government of Andrew Yule to the disadvantage of the employee without his consent" (1)

Sir, it is being proposed in the Bill that after having taken over the company and after having nationalised this company, the Government and the Andrew Yule company will have powers to change the service conditions. If this power is used in the interest of workers, I have nothing to

say. But it would affect the interest of the workers. That is why I propose this amendment.

SHRI J. VENGALA RAO: I am not accepting this amendment.

MR. DEPUTY SPEAKER: I shall now put Amendment No. 1, moved by Shri D.P. Patil to the vote of the House.

*Amendment No. 1 was put and negatived.*

MR. DEPUTY SPEAKER: The question is:

"That clauses 12 to 21 stand part of the Bill".

*The motion was adopted.*

*Clauses 12 to 21 were added to the Bill.*

*Clause 22--(Disbursement of amounts to the Company.)*

SHRI D B PATIL: Sir, I beg to move

'Page 10, lines 7 and 8, -  
for "such balance to the Company"  
substitute—

"rupees one hundred and one to the Company out of such balance and the remaining balance to the Central Government." (2)

Sir, it is a question of principle. When the Government takes over any company or nationalises then they should not be compensated at all. There should be Constitutional provision that when because of mis-management any concern is nationalised no compensation would be given to the owner of the company. So I have suggested that at the most Rs. 101 should be given to the company out of such balance and the remaining balance be given to the Central Government.

SHRI J. VENGALA RAO: Sir, I do not accept this amendment.

MR. DEPUTY SPEAKER: I will now put

Amendment No. 2 to Clause 22 moved by Shri D.B. Patil to the vote of the House.

MR. DEPUTY SPEAKER: The question is:

*Amendment No. 2 was put and negatived.*

"That Clause 25 stand part of the Bill."

MR. DEPUTY SPEAKER: The question is:

*The motion was adopted.*

"That Clause 22 stand part of the Bill."

*Clause 25 was added to the Bill.  
Clauses 26 to 31 were added to the Bill.*

*The motion was adopted.*

SHRI J. VENGALA RAO: I beg to move:

*Clause 22 was added to the Bill.*

Pages 13 and 14, -

*Clauses 23 and 24 were added to the Bill.*

for "The Schedule," substitute—

*Clause 25—(Contracts to cease to have effect unless ratified by the Central Government or Andrew Yule)*

"THE SCHEDULE"

See sections 17, 19(1), 20(1) and 22(1)

SHRI D. B. PATIL: Sir, I beg to move:

#### ORDER OF PRIORITIES

'Page 10, lines 35 and 36, -

Category I

for "one hundred and eighty" substitute "thirty" (3)

(a) Wages, salaries and other dues payable to the employees of the Company.

Sir, it has been provided in the Bill that certain contracts have to be ratified by the Government after taking over. Here it has also been said that some contracts which are unduly onerous and entered in bad faith and detrimental to the interests of the Central Government the Government is not bound to ratify such type of contracts. The time-limit that has been provided is 180 days. If this time-limit is kept as it is then it means even though the contract has been entered in bad faith and detrimental to the interests of the Central government it will have its own effect. So as early as possible it should not be ratified. Therefore, I have moved my amendment to reduce these 180 days to 30 days.

(b) Deductions made from the salaries and wages of the employees of the Company for the provident fund, the Employees' State Insurance Fund, premium relating to the Life Insurance Corporation of India or for any other purpose.

(c) Arrears in relation to contributions to be made by the Company to the provident fund, the Employees' State Insurance Fund or under any other law for the time being in force providing for such contributions.

SHRI J. VENGALA RAO: Sir, how it is possible. I do not accept this amendment.

Post take-over Management Period

Category II -

MR. DEPUTY SPEAKER: I shall now put amendment No. 3 to Clause 25 moved by Shri D.B. Patil to the vote of the House.

Principal amount of loans advanced by -

Amendment No. 3 was put and negatived.

- (i) the Central Government;
- (ii) a State Government;
- (iii) banks and financial institutions;
- (iv) any other sources.

Category III -

(a) Any credits availed of by the Company for the purpose of carrying on any trading or manufacturing operations, other than those specified in sub-section (2) of section 5.

(b) Any dues of State Electricity Boards or other Government or semi-Government institutions against supply of goods or services, other than those specified in sub-section (2) of section (5).

(c) Arrears of interest on loans and advances.

Category IV -

(a) Revenue, taxes, cesses, rates or other dues to the Central Government, a State Government or any local authority

(b) Any other dues.

*Pre-take-over management period*

Category V -

Principal amount of secured loans advanced by—

- (i) the Central Government;
- (ii) a State Government;
- (iii) banks and financial institutions.

Category VI -

Principal amount of unsecured loans advanced by -

- (i) the Central Government;
- (ii) a State Government;
- (iii) banks and financial institutions.

Category VII -

(a) Any credit availed of by the Com-

pany for the purpose of carrying on any trading or manufacturing operations.

(b) Any dues of State Electricity Boards or other Government or semi-Government institutions against supply of goods or services.

(c) Arrears of interest or loans and advances.

(d) Revenue, taxes, cesses, rates or other dues to Central Government, a State Government or any local authority.

(e) Any other loans or dues " (5)

SHRI D. B. PATIL: Sir, I beg to move:

"Pages 13, and 14,-

for "THE SCHEDULE" substitute-

"THE SCHEDULE

[See Sections 17, 19(1), 20(1) and 22(1)]

ORDER OF PRIORITIES

Category I-

(a) Wages, salaries and other dues payable to the employees of the Company

(b) Deductions made from the salaries and wages of the employees of the Company for provident fund, the Employees' State Insurance Fund, premium relating to the Life Insurance Corporation of India or for any other purpose.

(c) Arrears in relation to contributions to be made by the Company to provident fund, the Employees' State Insurance Fund or under any other law for the time being in force providing for such contributions

**Category II-**

Principal amount of loans advanced by —

- (i) the Central Government;
- (ii) a State Government;
- (iii) banks and public financial institutions;
- (iv) any dues of State Electricity Boards or other Government or semi-Government institutions against supply of goods or services, other than those specified in sub-section (2) of section 5;
- (v) any dues of State Electricity Boards or other Government or semi-Government institutions against supply of goods or services in pre-take-over management period; and
- (vi) revenues, taxes, cesses, rates or other dues to Central Government, a State Government or any local authority.

**Category III -**

- (i) Principal amount of secured loan advance by any other source.
- (ii) Principal amount of unsecured loans advanced by-
  - (a) by the Central Government;
  - (b) a State Government;
  - (c) banks and financial institutions.

**Category IV -**

- (a) Arrears of interest on loans and advances.
- (b) Any other dues.
- (c) Any other loans in pre-take-over period." (4)

This amendment is very important. The Government have fixed the priority and category to which claims will be made. First is the post-take-over management

period. The first is wages, salaries and other dues payable to the employees of the Company. Then, deductions made\* from the salaries and wages of the employees of the Company for provident fund, the Employees' State Insurance Fund, premium relating to the Life Insurance Corporation of India or for any other purpose, would have priority. And arrears in relations to contributions to be made by the Company to provident fund, the Employees' State Insurance Fund or under any other law for the time being in force providing for such contributions will have priority

But, Sir, this priority is not being given by the Government for pre-take-over management period. The means before taking over this management, if there are arrears of wages, salaries and other dues payable to the employees, they are not given priority. So, I suggest that this type of priority should be given to the wages, salaries and other dues payable to the employees.

Thereafter, Sir, the Categories II, III and IV talk of arrears and many types of dues that are to be made from the balance. Category II gives priority to principal amount of loans advanced by the Central Government, a State Government, banks and other financial institutions. So far as these loans are concerned, I have nothing to say. But from any other source, that means private source, priority is given here to meet out these loans.

Sir, in Category III, it has been provided;

- "(a) Arrears in relation to contributions to be made by the Company to provident fund, the Employees' State Insurance Fund or under any other law for the time being in force providing for such contributions.
- (b) Any credits availed of by the Company for the purpose of carrying on any trading or manufacturing operations, other than those specified in sub-section (2) of section 5.

D. B. Patil to the vote of the House.

*Amendment No. 4 was put and negatived*

*Amendment Made:*

Pages 13 and 14,

for, "The Schedule, *substitutè*—

"THE SCHEDULE

[See sections 17, 19(1), 20(1) and 22(1)]

ORDER OF PRIORITIES

*Category I -*

(a) Wages, Salaries and other dues payable to the employees of the Company.

(b) Deductions made from the salaries and wages of the employees of the Company for the provident fund, the Employees' State Insurance Fund, premium relating to the Life Insurance Corporation of India or for any other purpose.

(c) Arrears in relation to contributions to be made by the Company to the provident fund, the Employees' State Insurance Fund or under any other law for the time being in force providing for such contributions.

*Post-take-over management period*

*Category II -*

Principal amount of loans advanced by—

- (i) the Central Government;
- (ii) a State Government;
- (iii) banks and financial institutions;
- (iv) any other sources.

*Category III -*

(a) Any credits availed of by the Company for the purpose of carrying on any trading or manufacturing operations, other than those specified in sub-section (2) of section 5.

- (c) Any dues of State Electricity Boards or other Government or semi-Government institutions against supply of goods or services other than those specified in sub-section (2) of section 5...."

According to me, Sir, this provision 2 should have priority over the loans that are being provided for from private source. The loans provided from private sources should not get priority over arrears, contributions made by the Company to the provident fund, etc.

So, my amendment is that the categories that have been put by the Government are not proper. They are against the interests of the workers so far as dues of State Electricity Boards or other Government or semi-Government institutions are concerned. According to my amendment, I am trying to change the category. Priority should be given to the Government, semi-Government institutions and banks and not to the private loans.

SHRI J. VENGALA RAO: Sir, my amendment is better than Mr. Patil's amendment. In this amendment, our first priority is about the workers and their salaries. Priority is given in the schedule, as amended, for dues of the workers including gratuity both relating to pre-take-over and post-take-over management periods. Sufficient care has been taken.

DR. DATTA SAMANT: Policy is announced but so far not a single worker got it. I know these are only on paper.

SHRI J. VENGALA RAO: In this undertaking, I give you a guarantee that would take care of pre-take-over and post-take-over...

*(Interruptions)*

MR. DEPUTY SPEAKER: No, no. I will now put amendment No. 4 moved by Shri

(b) Any dues of State Electricity Boards or other Government or semi-Government Institutions against supply of goods or services, other than those specified in sub section (2) of section 5.

(c) Arrears of interest on loans and advances.

*Category IV -*

(a) Revenue, taxes, cesses, rates or other dues to the Central Government, a State Government or any local authority.

(b) Any other dues.

*Pre-take-over management period*

*Category V -*

Principal amount of secured loans advanced by -

- (i) the Central Government;
- (ii) a State Government;
- (iii) banks and financial institutions.

*Category VI -*

Principal amount of unsecured loans advanced by -

- (i) the Central Government;
- (ii) a State Government;
- (iii) banks and financial institutions.

*Category VII -*

(a) Any credit availed of by the Company for the purpose of carrying on any trading or manufacturing operations.

(b) Any dues of State Electricity Boards or other Government or Semi-Government institutions against supply of goods or services.

(c) Arrears of interest on loans and advances.

(d) Revenue, taxes, cesses, rates or

other dues to Central Government, a State Government or any local authority.

(e) Any other loans or dues." (5)

(SHRI J. VENGALA RAO)

MR. DEPUTY SPEAKER: The question is:

"That Schedule, as amended, stand part of the Bill."

*The motion was adopted.  
Schedule, as amended, was added to the  
Bill.*

MR. DEPUTY SPEAKER: The question is:

"That Clause 1, the Enacting Formula, the Preamble and the Title stand part of the Bill."

*The motion was adopted.*

*Clause 1, the Enacting Formula, the  
Preamble and the Title were added to the  
Bill.*

SHRI J. VENGALA RAO: I beg to move:

"That the Bill, as amended, be passed".

MR. DEPUTY SPEAKER: The question is:

"That the Bill, as amended, be passed."

*The motion was adopted.*

18.32 hrs.

NATIONAL DAIRY DEVELOPMENT  
BOARD BILL

[English]

THE MINISTER OF AGRICULTURE  
(DR. G.S. DHILLON): I beg to move: