

LOK SABHA DEBATES

LOK SABHA

Friday April 19, 1985/Chaitra 29, 1907
(SAKA)

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Losses In N.T.C. (WBABO) Ltd.

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*507. SHRI V. SREENIVASA PRASAD:
SHRI MUKUL WASNIK :

Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether National Textile Corporation (WBABO) Ltd., Calcutta, has been incurring a loss of about rupees 2.5 crores per month and the management has failed to arrest the trend of such increasing losses in its all the eighteen units ;

(b) whether modernisation of mills as per envisaged plan of five years ago or so has not yet been completed ; if so, the reasons thereof ;

(c) the details of modernisation done in each unit and the names of mills where new machines are yet to be installed under the envisaged programme ; and

(d) the action being proposed to arrest the trend of losses in each mill and for completion of proposed modernisation programmes ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRA SHEKHAR SINGH) :

(a) NTC (WBABO) has been incurring losses due to inadequate supply of cotton, sluggish off-take of stocks, shutdown of power supply, excess labour force, increase in input costs viz. wages/salaries, dyes and

chemicals, power, fuel) etc. During 1984-85, NTC (WBABO) has incurred a loss of Rs. 2.40 crores approximately per month. There has, however, been an improvement in the performance of the Corporation during January-March, 1985.

(b) The implementation of the approved plan of modernisation for units under NTC (WBABO) is by and large progressing in a phased manner. The original outlay for modernisation programme was Rs. 36.19 crores, which has since been revised to Rs. 39.86 crores. The value of work done and machinery installed upto 31.3.1985 is about Rs. 31.44 crores. The process of modernisation is also being continued during the 7th Plan.

(c) A statement showing the expenditure incurred on modernisation/renovation and also the value of orders placed for new machines, under the modernisation programme, in respect of each mill under this subsidiary is enclosed.

(d) Some of the important steps taken or being taken, to improve the performance of the mills are as under :—

(i) arrangements are being made for timely procurement of cotton from different available channels ;

(ii) working capital has been replenished to make up for cash losses ;

(iii) to overcome the power shortage, self-generating capacity has been provided ;

(iv) cost control methods have been introduced for reduction in costs at all levels ;

(v) management at the subsidiary level is being strengthened for better management of available resources.

(vi) workers' participation scheme in the management of the mills is being encouraged.

Statement

National Textile Corporation (WBABO) Limited

	(Rupees in lakhs)	
	Expenditure incurred on modernisation renovation	Value of orders placed for new machines
1. Bengal Textiles	143.06	149.85
2. Manindra	42.71	19.57
3. Central Cotton	81.94	—
4. Bengal Fine No.1	203.18	18.17
5. Bengal Fine No. 2	130.18	160.03
6. Shree Mahalakshmi	164.63	5.00
7. Rampooria	316.76	37.57
8. Laxmi Narayanan	219.02	17.02
9. Arti	240.51	68.66
10. Bangasri	207.00	136.05
11. Bengal Laxmi	340.56	31.53
12. Kannoria	75.87	3.10
13. Jyoti	53.17	11.61
14. Sodepur	181.70	—
15. Associated Industries	173.57	41.15
16. Gaya Cotton	210.35	32.98
17. Bihar Co-op.	68.81	48.57
18. Orissa Cotton Central Testing Laboratory	290.37 0.85	9.32 —
Total	3144.24	790.18

SHRI V. SREENIVASA PRASAD : The hon. Minister has made it clear in his reply that the NTC has incurred a loss of Rs. 2.40 crores approximately per month. Subsequently, the Minister says there is, however, an improvement in the performance of the Corporation during January-March 1985. It is not correct that there has been an improvement in the performance of the Corporation during January-March 1985. In 1985 there was a cash loss of Rs. 2 crores and 67 lakhs. Further its losses are increasing every month. It incurred a great loss during 1984-85 due to mismanagement alone. So, my question is whether the losses during 1984-85 have increased manifold as compared to the previous years? And is it due to the in-

fighting, corruption and inefficiency of the three persons—viz. the Chairman-cum-Managing Director, Director (Personnel) and the Director and Managing Director (Technical)?

SHRI CHANDRA SHEKHAR SINGH: The hon. Member has expressed his doubts about the improvement that has occurred in the performance of this subsidiary company of the NTC during January-March 1985. The fact is that the losses have been reduced to Rs.2.10 crores per month.

As far as the question of infighting among the top officers of the NTC is concerned, I am particularly not aware of the situation. If the Member has anything to

convey to me, I shall be glad to welcome the information and the suggestions.

SHRI SREENIVASA PRASAD : In reply to part (a) of the question the Minister says that one of the reasons why the NTC has been incurring losses was due to the excess labour force. I would like to know whether it is not a fact that in spite of l sses and ban on recruitment by Central Government, about 600 persons have been taken on irregular jobs at a higher salary without their having to attend office regularly during the period June 1984 to November 1984 on certain forged documents.

SHRI CHANDRA SEKHAR SINGH : I am not aware of this fact. If the Member has any information, he may kindly pass it on to me. The information is that regarding recruitment of show-room employees, there was something about irregular appointments and the matter has been referred to the CBI for inquiry .

DR. V. VENKATESH : Sir, corruption is rampant in N.T.C. It is more a temple of corruption and illegal job racketeering is going on there. Actually there are four people involved in this. They are **Chairman-cum-Managing Director, **Director (Technical), General Manager (Technical), and **Director (Personnel). They are all involved in this. Therefore, there must be a thorough investigation by the CBI because it is already declared as a sick industry and a ban on recruitment is imposed. In spite of this, as the hon. Member has put it, there are 600 people taken on jobs irregularly and they have taken illegal gratification from them, about Rs. 5000 to Rs. 10,000 from each person, without assigning any work to them.

MR. SPEAKER : That has been referred to the CBI.

DR. V. VENKATESH : Therefore, half-an-hour is required for discussing all this. We have got enough material with regard to this. Kindly permit half-an hour discussion for this because the common man's money is drained away in the Hooghly river, particularly the Chairman-cum-Managing Director is just not having his residence in Calcutta, his family is only in

Bombay and he is not concentrating on the development of the industry.

SHRI CHANDRA SHEKHAR SINGH: I share the anxiety of the hon. Member. I shall look into it and if there anything specifically which the hon. Member would like to convey to me, I will certainly welcome it.

[Translation]

SHRIMATI KRISHNA SAHI : Mr. Speaker, Sir, I would like to ask the hon. Minister whether it is a fact that the quality of cloth produced by N.T.C. is very inferior and even the public sector does not want to purchase it. The cloth produced for the poor is not available in the open market and thus the poor are unable to purchase it.

SHRI CHANDRA SHEKHAR SINGH: There is the complaint about the quality of the cloth, but her question about the Janta Cloth or the controlled cloth is a separate question.

[English]

Cotton Export From Maharashtra

*508 **SHRIMATI USHA CHOUDHARI :** Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) the quantity of cotton exported from Maharashtra during each of the last three years; and

(b) whether Government have taken any steps to find out new markets for export of cotton ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRA SHEKHAR SINGH) :

(a) The quantities of cotton allocated for exports in favour of the Maharashtra State Cooperative Cotton Growers Marketing Federation during the last three Cotton years (Sept. to August) are as follows :

Year	Quantity released for export
1981-82	2.67 lakh bales
1982-83	4.21 lakh bales
1983-84	1.00 lakh bales

(b) The exporting agencies try to