

ORAL ANSWERS TO QUESTIONS

[English]

Financial Arrangements Between NTC and Financial Institutions

* 323. SHRI ATISH CHANDRA SINHA : Will the Minister of TEXTILES be pleased to state:

(a) whether the National Textile Corporation Limited has entered into further financial arrangements with the State Bank of India and other financial institutions worth about 50 crores of rupees for procurement of cotton and other raw materials;

(b) if so, the details thereof; and

(c) the terms of repayment ?

THE MINISTER OF STATE IN THE MINISTER OF TEXTILES (KUMARI SARAOJ KHAPARDE): (a) National Textile Corporation Ltd., New Delhi is negotiating with the State Bank of India and other Banks for raising additional resources for bulk purchase of its cotton requirements.

(b) and (c). Do not arise.

SHRI ATISH CHANDRA SINHA : Sir, as you know, the NTC is incurring heavy losses. The figures are very astronomical. For example, from January to June 1987, it incurred a loss of Rs. 140.39 crores; from January to June 1988, it incurred a loss of Rs. 143.17 crores, from January to June 1989, it incurred a loss of Rs. 118.31 crores. I would like to know from the hon. Minister, in view of this heavy loss incurred by the NTC, what is the total loan from other Bank already taken by the NTC, in view of above losses and also the recent negotiation that is going with the State Bank of India—I understand the loan asked for from the State Bank of India is about Rs. 50 crores—how does NTC plan to refund this huge amount of loan which will invariably bear some interest amount to be paid ?

KUMARI SAROJ KHAPARDE: Sir, the hon. Member is a very knowledgeable person, coming from West Bengal, he has knowledge about the textile. Regarding losses of NTC,—I would like to mention here that the figures have been given by us recently,—the main reasons for the losses, as the hon. Member also knows very well, are old and obsolete machinery, excess labour force, wage increases, power problems and load shedding, increase in cost of power, coal, dyes, chemicals, stores and spares, impact of cotton prices and market recession, etc. These are the main causes for the loss of the N.T.C. Regarding the loan, we are still negotiating with the State Bank of India. But I would like to mention here that recently we have taken a loan of Rs. 40 crores from the Maruti Udyog. As I have mentioned here, whatever loan has been taken from the Maruti Udyog, that is on the temporary basis and that loan was taken around the last week of February 1989. The rate of interest is 15% per annum. Whatever loan we take from others also, we will pay the interest on the same basis.

SHRI ATISH CHANDRA SINHA : Sir, the hon. Minister has cited so many examples for the losses of the N.T.C. mills. I would like to add one more reason for the cause of loss, that is, the mismanagement in the N.T.C. that is prevailing. I would request the hon. Minister that apart from other causes that she has mentioned, the mismanagement that is going on in the NTC should also be looked into very seriously. Now, the NTC has given 32 proposals for modernisation. The hon. Minister has already agreed that without Modernisation, the NTC cannot be turned into a profit making organisation and these 32 proposals involve a sum of Rs. 193.40 crores against which, I understand, the Government has sanctioned only Rs. 46 crores. Also I know that many modernisation plans that were already sanctioned in the Sixth Five Year Plan have either not been carried through or they have been shelved due to paucity of funds.

I would like to point out that the small doses which are being given by the Ministry

for modernisation against the huge demand of Rs. 193 crores or so, are also not being utilised sometimes due to various difficulties. The small doses are a sort of good for nothing so far as making up the huge losses of NTC is concerned. So, finally I would like to know what is the comprehensive plan of the Ministry to make NTC stand on its own legs. It is incurring huge losses year after year. If you consider from the date of nationalisation or from the date of birth of NTC, you will see that thousands and thousands of crores have gone to make up the losses only. Therefore, what is the comprehensive plan of the Ministry to cut down these losses completely?

KUMARI SAROJ KHAPARDE: Sir, the hon. Member has raised a very important question about the modernisation of NTC mills. I would like to mention here that NTC has adopted a selective modernisation approach during the Seventh Plan period having regard to the resource constraints. As I have just mentioned, whatever money we get for modernisation is not at all adequate. I do agree with him. In spite of these constraints, NTC has been able to secure a total sanction of the order of Rs. 45.9 crores in respect of 12 mills and proposals in respect of remaining 22 mills involving an outlay of Rs. 147.52 crores and under process by the financial institutions.

SHRI KADAMBUR JANARTHANAN: Sir, in the answer, the Minister had told so many reasons for the losses in NTC mills. Cotton purchased management is also adding to one part of the loss. I want to ask the Minister categorically, through you, Sir, whether it is a fact that out of a total loss of NTC right from 1980, 56 particular mills are causing 85 per cent of the loss? I would like to know whether the Government will come to a categorical conclusion to stop these 56 mills totally because 85 per cent of the loss is being caused by these particular 56 mills in the whole of our country.

KUMARI SAROJ KHAPARDE: Sir, we are sincerely trying to improve the conditions of NTC mills all over the country. In fact, over

the years the NTC has improved the performance in many operational areas. The production value of the nationalised mills was around 101 in the year 1975-76 and 109 in the year 1986-87. That means the production value has gone up from Rs. 225 crores in the year 1975-76 to approximately Rs. 822 crores in the year 1988-89.

SHRI KADAMBUR JANARTHANAN: Sir, the answer is not full. I want to know whether a policy decision will be taken about these 56 mills which are causing 85 per cent of the loss. It is a burning problem for NTC for the past five years.

MR. SPEAKER: Next question.

[Translation]

Special Grant for courses in Forestry and Environment

*324. **SHRI HARISH RAWAT:** Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) whether a proposal to give special grant to the universities and other academic institutions situated in Himalayan region to start courses in Forestry and Environment is under consideration of Government;

(b) if so, the details of the steps taken in this regard; and

(c) if not, the steps proposed to be taken by Government to make the forests and environment conservation awareness a movement?

THE MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRIMATI SUMATI ORAON): (a) and (b). There is no proposal under consideration of the Government of India to give any special grant to the Universities and other academic institutions situated in Himalayan region to start courses in Forestry and Environment. However, under a scheme operated through the Indian Council of Agricultural Research (ICAR), grant-in-aid is