

LOK SABHA DEBATES

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LOK SABHA

Wednesday, December 13, 1978/Agrahayana 22, 1900 (Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Losses Suffered by N.T.C. Eastern Subsidiary

*326. SHRI PRADYUMNA BAL: Will the Minister of INDUSTRY be pleased to lay a statement showing:

(a) total number of textile mills under the Eastern Subsidiary of N.T.C. along with their location (State-wise);

(b) whether the Headquarters of the Eastern Subsidiary of N.T.C. is located at Calcutta but the Chairman-cum-Managing Director generally remains at Bombay;

(c) the number of times the Chairman-cum-Managing Director visited the Headquarter at Calcutta and the number of days for which he stayed there each time since 1-4-1978;

(d) whether the Eastern Subsidiary suffered heavy losses and in September, 1978 the monthly loss stood at Rs. 72 lakhs;

(e) the main reasons for this heavy loss; and

(f) the steps taken or proposed to be taken to improve management, production and marketing?

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THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI ABHA MAITI): (a) The total number of textile mills under the National Textile Corporation (West Bengal, Assam, Bihar and Orissa) Ltd. a subsidiary of the National Textile Corporation Ltd. and their State-wise location is given below:

West Bengal	14
Assam	1
Bihar	2
Orissa	1

(b) and (c). A statement is laid on the Table of the House.

(d) Yes, Sir.

(e) The main reasons for the loss are:—

(i) Old and obsolete machinery.

(ii) Excessive labour force.

(iii) Unscheduled power cuts.

(iv) Lower utilisation of installed capacities, higher variable cost and lower sale realisation.

(v) Recent floods in West Bengal.

(f) The following steps have been taken/are being taken, to improve the working and better functioning of this Subsidiary:—

(i) strengthening of the management of the subsidiary;

(ii) implementation of the modernisation programme;

(iii) seeking co-operation of State Government of West Bengal in the implementation of voluntary labour rationalisation programme; and for supply of uninterrupted power.

(b) and (c). Pending appointment of a regular Chairman-cum-Managing Director of the Subsidiary Corporation a Director of N.T.C. (South Maharashtra) Limited, Bombay has been appointed as Chairman-cum-Managing Director, NTC (West Bengal, Assam; Bihar and Orissa) Ltd., with effect from 15-5-1978 in addition to his duties, as an interim arrangement. He has visited Calcutta 19 times since May, 1978 for the work of the subsidiary. The information in respect of number of days for which he stayed at Calcutta each time since May 1978 is as under:

1st time	3 days
2nd time	4½ days
3rd time	2½ days
4th time	3 days
5th time	2 days
6th time	2 days
7th time	1 day
8th time	2 days
9th time	2 days
10th time	2 days
11th time	3½ days
12th time	2 days
13th time	2 days
14th time	2½ days
15th time	3 days
16th time	1 day
17th time	2 days
18th time	2 days
19th time	2 days
TOTAL	44 days

SHRI PRADYUMNA BAL: Mr. Speaker, Sir, in view of the answer given by the hon. Minister and the statement laid on the Table of the

House, I would like to know—the National Textile Corporation, the Eastern Subsidiary—why it is headed by a part-time Chairman-cum-Managing Director who are actually having their headquarters in Bombay? The National Textile Corporation has been suffering a colossal loss. I would also like to know why only the Director of the South Maharashtra unit of NTC has been appointed a part-time Chairman-cum-Managing Director of this Eastern Subsidiary? This haphazard arrangement does not speak well of the Government when it has taken over these sick textile mills. This N.T.C. has been suffering a loss of about Rs. 25—30 crores every year. So, the same Director could have as well been appointed as full time Chairman-cum-Managing Director of the Eastern Subsidiary and shifted to Calcutta as its headquarters. Why was this not done? Secondly, whether it is a fact that this Chairman-cum-Managing Director, who is not able to attend to his duties here, his duties as Director, the South Maharashtra Unit are suffering because he has to shuttle between Bombay and Calcutta at a colossal cost to the Corporation? I would also like to know whether it is a fact that this ad hoc Chairman-cum-Managing Director who has been appointed is comparatively a very junior officer—Shri Sushil Sain—who joined NTC only about 3 years back as a trainee as a Special Officer on duty, over the head of many senior capable and experienced officers. And this Mr. Sain whether he is practically operating or deputising for the Chairman-cum-Managing Director in his absence; if so, why?

SHRIMATI ABHA MAITI: It is correct, what Mr. Bal has said, that we have a part-time Chairman-cum-Managing Director in the Eastern Subsidiary of NTC. With the expiry of the extended tenure of Shri C.R. Guha Majumdar, IAS(WB) on 30-3-78, it was decided to appoint Shri Sushil Sain, Director (Technical), in the NTC (South Maharashtra), Bombay as Chairman-cum-Managing Director, NTC, as an

interim arrangement in addition to his duties as Director of NTC (South Maharashtra) Ltd., with effect from 15-5-1978 until appointment of a CMD on regular basis. Accordingly, with the approval of the Board of Directors of the NTC on 10-5-78, Shri Sushil Sain was appointed as CMD of the NTC. Even before the expiry of the term of Shri C.R. Guha Majumdar, the NTC made efforts to get a suitable candidate from the open market. However, no suitable candidate could be selected from the open market. In this background, the NTC went in for a Service Officer for the post of CMD. After considering the names of a number of Service Officers, the Selection Committee constituted for this purpose and comprising of Chairman, NTC, Managing Director, NTC and a nominee of P.E.S.B., recommended the name of Shri S.M. Murshed. Subsequently, the Government of West Bengal did not relieve him. Then again another gentleman was selected, but when it came to the Cabinet Committee, it was observed by the Cabinet Committee that a technical person who knows the subject must be appointed. So, we have taken steps so that a technical man who knows the subject can be appointed and we are hoping that within a month or two we will be able to appoint one whole time Chairman.

SHRI PRADYUMNA BAL: She did not answer the second part of my question fully—why one Mr. Sen, a comparatively junior officer was appointed over the head of more experienced and capable, technical officers available in the N.T.C.?

SHRIMATI ABHA MATTI: He is the only available person who wanted to go and head N.T.C. Eastern Subsidiary. We tried many people, but I am sorry to say that no other person accepted it.

We tried to get somebody from the Government of West Bengal also. We selected him because he is a technical person. He has some knowledge about this organisation. I can assure the House since he joined this subsidiary, the position has improved. Previously there was a loss of Rs. 1 crore per month. The position is now improving.

SHRI PRADYUMNA BAL: I will have to preface my question. You have to be a little patient.

MR. SPEAKER: No, no, preface is a lecture always. Please be brief.

SHRI PRADYUMNA BAL: I had raised some time back also in the House this very matter which I am referring to now. N.T.C. is an organisation which only takes over sick textile mills when they become sick, when everything has been taken out by the industrialists, and capitalists, then it is safely handed over to the Government as a sick child. I had drawn the attention of the Minister of Industry in the last part of 1977 Session that there is Orissa Textile Mills Ltd., Choudwar, near Cuttack. They have not been able to pay back more than Rs. 800 crores taken from the Allahabad Bank. It has not been paying dividend to its share holders for the last 30 years. It is showing loss. It has come to a stalemate.

I am drawing the attention of the House to the fact that this mill is going to be sick in a few months. It is already sick. These industrialists are very capable and influential persons. When our Finance Minister visited Orissa, he invited him for lunch and that is why the bankers are not able to do anything with him. In the public interest while the going is good, I would urge upon the Minister to take over this textile mill as it can make profit before everything goes out and it enters into further liabilities. It has already taken Rs. 800 crores as borrowings from the Allahabad Bank and others. Will the Minister give an

assurance that they will take over this mill while the going is good and mill can make profit?

SHRIMATI ABHA MAITI: I can assure that we will look into that question.

श्री कमल चण्डबाबू : मंत्री महोदय ने स्वीकार किया है कि एन० टी० सी० की बंगाल की मिलों चाटे में चल रही हैं। इसी प्रकार से मध्य प्रदेश की एन० टी० सी० की मिलों भी चाटे में चल रही हैं। मध्य प्रदेश की सात एन० टी० सी० की मिलों को नौ करोड़ का बाटा हो रहा है। नामा प्रकार की लिकायतें होने के बाद भी शासन की धोर से कोई एक्शन नहीं लिया गया है। मैंने 23 जनवरी 1978 को उद्योग मंत्री जी को एक पत्र लिखा था जिस का उत्तर मंत्री महोदय ने 31 जनवरी 1978 को दिया था धोर जांच करवाने का आश्वासन भी उस पत्र में दिया था। उस के बाद 9 फरवरी 1978 को इसी के बारे में मैंने पत्र लिखा था जिसका कोई उत्तर मुझे नहीं मिला। उस के बाद 20 फरवरी को धनियमितताओं के बारे में मैंने पत्र लिखा जिस का कोई उत्तर नहीं आया। 28 फरवरी को मैंने फिर एक पत्र लिखा जिसका कोई उत्तर नहीं आया। 6 मार्च 1978 को फिर मैंने पत्र लिखा जिस के उत्तर में छानबीन करवाने का उन्होंने मुझे आश्वासन दिया। उस के बाद 17 जुलाई को मैंने पत्र दिया, उसकी मुझे स्वीकृति मात्र ही दी गई। इसकी लिकायतें धाप को मिलती हैं जिनका या तो धाप उत्तर देते ही नहीं हैं या केवल आश्वासन दे देते हैं जिनकी पूर्ति नहीं होती है। मध्य प्रदेश में धापकी सात मिलें जिन को नौ करोड़ का बाटा हो रहा है जब कि निजी खोज की छः मिलें हैं धोर उन को पंद्रह करोड़ का अनुमान हो रहा है। क्या धाप के कभी यह पता चलाने की कोशिश की है कि इस चाटे के मूल कारण क्या हैं? मंत्री महोदय ने इस चाटे के जो कारण बताये हैं केवल नही कारण नहीं हैं। इस के धोर की कारण हो सकते हैं। जो खोज बैठे हुए हैं उन के कारण भी बाटा हो रहा है। क्या इन लोगों के स्थान पर धाप राज्य अधिकारियों को नियुक्त करने धोर जिन कारणों से बाटा हो रहा है उनकी जांच करवाने? जो आश्वासन धाप में दिया है उसकी पूर्ति धाप कब करने वाले हैं?

SHRIMATI ABHA MAITI: The question relates to West Bengal subsidiary. It does not relate to Madhya Pradesh subsidiary.

SHRI TRIDIB CHAUDHURI: When the subsidiaries were formed it was more or less, understood that in the management of the West Bengal subsidiary the Government of West Bengal

would have a voice and say. May I know whether the Government had submitted any panel of names or after Mr. Murshed was not released, whether any communication was sent by the West Bengal Government?

SHRIMATI ABHA MAITI: Yes, Sir. They sent some names and we considered them. As I have already said, as it is a heavily deficit subsidiary, we need some person who is a technical hand and knows commercial things and knows the subject.

SHRI TRIDIB CHAUDHURI: Have these things been communicated to the West Bengal Government?

SHRIMATI ABHA MAITI: Yes. They know it. They are all in service and so, they have no such experience. So, we need some experienced person.

श्री कमल चण्डबाबू : जिस धायमी को स्पेशल आफिसर मुकर्रर किया गया है, मि० सेन, उसी कारखाने में या उसी आफिस में उस से ज्यादा सीनियर धायमी धोर टैक्नीकल नो हाऊ जानने वाले धायमी हैं, क्या वह सही नहीं है? क्या गलत इतिहास के आधार पर उस को वहाँ मुकर्रर नहीं किया गया है? धयर उस से ज्यादा नो हाऊ जानने वाले वहाँ हैं तो इनकवायरी करवा कर धोर उस को हटा कर जो सीनियर धकतर हैं उस को धाप मुकर्रर करेंगे?

श्रीमती आजा माताजी : बह ठीक बात नहीं है।

Price Rise of Paper

*327. **SHRI PIUS TIRKEY:** Will the Minister of INDUSTRY be pleased to state:

(a) whether it has come to the notice of Government that prices of different varieties of paper have gone up;

(b) if so, the reasons thereof; and

(c) whether Government has made any efforts to check the price rise and to ask the main paper manufacturers to maintain the price level prevailing at the beginning of 1979?