

SHRIB. SHANKARANAND: The question mainly relates to the appointment of judges belonging to Scheduled Caste and Scheduled Tribe. It has nothing to do with the pending cases in each court. So I have given the answer accordingly.

SHRI HAREN BHUMIJ: Again I have been compelled to say that the reply was too much evasive as well as discouraging and I seek your protection Sir. I plead for the upliftment of the Scheduled Caste and Scheduled Tribe because though I come from the Scheduled Tribe community I am not recognised as ST, I have been deprived of my rights. There are a large number of pending cases in various High Courts as well as there are inadequate number of judges in the various High Courts of the country. Our hon. Prime Minister has already got the Panchayati Raj Bill passed in Parliament yesterday wherein there are reservations for Scheduled Castes, Scheduled Tribes, women and for weaker sections. I would like to know in view of the fact that there are so many pending cases in the High Courts as well as there are inadequate number of judges in the various High Courts, would it be the sincere and honest endeavour of the Government to see that before the next general elections, adequate number of Scheduled Castes and Scheduled Tribes persons are absorbed as judges in the various High Courts of the country?

SHRI B. SHANKARANAND: Sir, the House knows that the Panchayati and Nagar-palika Bills—Constitutional Amendment Bills—have nothing to do with the judicial functions and the question of increasing the number of judges belonging to Scheduled Castes and Scheduled Tribes, in relation to the functioning of the Panchayats and Nagar-palikas does not arise. The hon. Member's complaint is that though he belongs to the Scheduled Tribes, his tribe is not included in the Scheduled Tribes' List. It is a different question.

The question of pending cases has no relation to the appointment of the judges. I can only say, for the appointment of the

judges. I can only say, for the information of the House that today, there are 9 judges belonging to the Scheduled Castes in various High Courts and two judges belonging to the Scheduled Tribes.

Financial Powers to BIFR for Revival of Sick Industries

***372. KUMARI MAMATA BANERJEE:** Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to give financial powers to the Board for Industrial and Financial Reconstruction (BIFR) for the purposes of quick revival of sick industries throughout the country; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). A Statement is given below.

STATEMENT

(a) and (b). The Board for Industrial and Financial Reconstruction (BIFR) set up under the Sick Industrial Companies (Special Provisions) Act, 1985 has wide powers under the Act for making an order specifying inter alia the reliefs and concessions to be given in accordance with the provisions of the Act for the reconstruction, revival or rehabilitation or as the case may be, winding up of the sick industrial company. Certain suggestions have been received for amendments to the Act including, inter alia, wider financial powers for the BIFR.

KUMARI MAMATA BANERJEE: Mr. Speaker, Sir, On behalf of the working class, I want your permission. In the year 1987, the Board for Industrial and Financial Reconstruction (BIFR) was set up to revive the sick industrial units in the country. If I am not correct, you may ask Shri A.K. Panja and Shri Priya Ranjan Das Munsi, the two Ministers from West Bengal. I think, they will also

support me. So many industrial units have registered their names with BIFR. But, the BIFR, instead of reviving the sick units, new recommending for liquidating all the industrial units in the country. If this is going to continue, then, how can the sick units survive? I would like to know from the Minister whether it is an eye-wash? Why BIFR was set up, I would like to know from the Minister, specifically.

Will the Minister also assure the House that the cases for the revival of the sick units registered with the BIFR should not result in liquidation?

SHRI EDUARDO FALEIRO: If I may respectfully say, the hon. Member is strong on emotions, but weak on facts. The BIFR has been working for hardly one and a half years or two years. Within this period of time, it would be unfair to the BIFR to deny that it has contributed substantially to deal with the problem of industrial sickness and find a remedy for it. For the information of the hon. House, I would like to say that within this short period of time, the BIFR has given approval under Section 17(2) of the Statute that governs it, for 83 companies that can make up their position on their own; operating agencies appointed are 318 and draft schemes, for the rehabilitation, drawn are 34. This has been done by BIFR. Here I may like to add—if I am permitted to—that the hon. Member is under misconception and gross misapprehension, if she thinks that if the unit goes sick, then it must immediately be rehabilitated, irrespective of whether it is viable or unviable. The hon. Member may consider that the money that goes into the sick units which are unviable and which cannot make their units worth is the money of the people of this country. Therefore, the hon. Member may not pursue this line of thought. However, if the unit is viable then definitely steps must be taken and are taken to rehabilitate such units.

KUMARI MAMATA BANERJEE: I do not know why the Minister is supporting the cause of industrialists and not of workers. That is very embarrassing for us. Can the

Minister tell why MMC of Calcutta was liquidated? Was it not a viable unit? Why I am saying this is because whenever we ask the BIFR to re-open a unit they say they cannot re-open it since they have got no financial powers. Government has just set-up a board and not given them the financial powers to re-open a unit. That is the problem. That you should realise. I know the Government money should not be wasted but I want to know what industries have been covered and not covered. The State of Maharashtra, Tamil Nadu and West Bengal are suffering a lot due to sick industrial unit. Will the Minister give financial powers to BIFR to expedite the matter and re-open some sick industries like Metal Box, MMC and Mohini mills? I would also like to point out that the workers have to come to Delhi twice and thrice to attend the BIFR meetings. It is very expensive for the workers to attend these meetings. Will the Minister set-up one branch of BIFR at Calcutta to expedite the matter? The financial institutions like IFCI, IDBI, etc. should coordinate with BIFR and then only BIFR can take some constructive measures?

SHRI EDUARDO FALEIRO: In order to expedite different cases, we have recently appointed two more member on BIFR and also created a fourth branch in addition to the three already existing. In deference to the wishes of the hon. Member I would request the BIFR, which is a quasi judicial body, to also hold a hearing in Calcutta to look into the cases there.

SHRI P.R. KAMARAMANGALAM: Sir, we had passed the BIFR Act with all pomp and show and we said this would be the solution by which we can teach a lesson to those industrialists who siphon off money and make the industries fall sick. At the same time we hoped complete investigation will be carried out regarding the revival of the unit. On the other hand, what has happened is that industrialists during the peak time when it runs well use it as a milch cow and really milch the industry dry and leave behind huge liabilities. Now this is done with the tacit consent of the financial institutions because financial institutions are represented on the

Boards. Nothing happens during that time. Then when BIFR approaches the financial institutions to write-off these loans so that the workers may form cooperatives and run the industry, then they say that they cannot write off the loans. Therefore, the unit becomes non-viable. The unit is not non-viable because the industry is bad but it is non-viable because of the huge loans which are outstanding and they refuse to write off those loans. But when it comes to cases like Thapars they will write off complete penal interest and everything where they want to support an industrialist. My question is specific. Will the Finance Ministry and the financial institutions adopt a constructive attitude? The question is viability not in terms of what is outstanding but it should be viability in terms of the business as it stands. If a unit is viable minus the unnecessary loans which get acquired over a period of time and if writing off loans can make it viable, I do not see any reason why Government should stand in the way. Another unfortunate thing is regarding Kamini Tubes. RBI refused the permission to the cooperative bank give loans to the workers to buy the shares and run this industry. Ultimately, it is the hon. Minister who intervened to ensure IDBI give the loans which IDBI has no business to do. IDBI is not supposed to give loans to workers to run it.

Now, I want to know what is the system the Minister is planning or is he just going to allow it go on the way it is going. The Government definitely and its financial institutions are not cooperating with the BIFR. This is my charge. I would like to know Minister's answer.

SHRI EDUARDO FALEIRO: The answer is 'no' to the challenge and to the charge that the financial institutions and the banks are not cooperating the BIFR. They are cooperating and they are supposed to cooperate.

On the question of having a concessional package of incentives when the unit is sick but it is viable for the purpose of rehabili-

tation, this is as it should be and that is also being done.

Hon. Member has referred the case of workers' management and taking over of such units. We welcome this approach of workers' management of industry. We will encourage it to the extent possible. It will be our endeavour.

SHRI ASUTOSH LAW: Hon. Minister must be aware of the fact that there is an inherent defect in the BIFR. The defect is this. I have appeared before the BIFR and have come to know from the Chairman also. They have got the power which is not mandatory but it is directive. This is the real inherent defect in the BIFR. When BIFR gives a direction for liquidation, it would be carried out. But if BIFR gives certain direction to some bank or financial institution of the State, it is not mandatory on the part of the agency—whether it is bank or financial institution—to comply with the direction of the BIFR. If it is a fact, what is the use?

I have noticed that liquidation order has mostly been carried out. But whenever BIFR gives any order for revival of the company, it has not been carried out because BIFR has no power. Let it be clear that BIFR has no power to direct the bank or the financial institution to participate in the equity of the sick company. If such mandatory power is not given to the BIFR, then what is the use of giving such power without power to execute. Will the hon. Minister kindly consider it? Otherwise, it will get infructuous. Every day, companies are sent into liquidation. The BIFR are expressing their helplessness to help any sick company to be revived. They say, they don't have any power. If they exercise their power, it will not be applied because they have no mandatory power. Have they reviewed this position?

SHRI EDUARDO FALEIRO: Hon. Member of right when he says that the powers of the BIFR are not mandatory but they are directive or they are indicative. This, in brief, is the position. The financial institutions that lend the money cannot surrender their own

financial judgment to any other authority. Therefore, this is the principle underlying why the powers are merely directive and not mandatory. Hon. Member would like this power, however, to be mandatory and not just directive. We will look into his suggestion.

Enhancement of Baggage Allowance

*373. SHRI T. BASHEER: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under consideration of Government for enhancement of baggage allowance to Indians working abroad;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) No, Sir.

(b) Does not arise.

(c) A statement is given below.

STATEMENT

Since the 25th November, 1986, Indians working abroad for not less than one year and returning after termination of work are allowed to bring, free of duty, used household articles and personal effects upto a value of Rs. 20,000/- subject to the conditions stipulated in the relevant Rules. This is in addition to the free allowance of Rs. 1,250/- which is allowed to all persons, other than tourists, coming to India. Indians working abroad and returning after a minimum stay of two years, under Transfer of Residence, are allowed to import duty free their used household effects, subject to the fulfilment of certain conditions. Having regard to the interests of the domestic industry, these allowances are considered adequate at present.

SHRI T. BASHEER: Sir, you know,

from India, thousands of workers are working, especially in Gulf countries. They find it difficult there to get a job. So, they go abroad to find a job there and to earn something for their livelihood. They are working there in a very difficult situation. They earn valuable foreign exchange for this country. When they come to India, their home country, after two or three or four years, they are entitled for a free allowance of only Rs. 1250. You can imagine that this is a very meagre amount and it is quite inadequate. The point is that the tourists who are coming to this country are also entitled for the same amount of free allowance. This is illogical and unjustified. There is no difference between the tourists coming to this country and the sons and daughters of our country who are working abroad in a difficult situation and earning valuable foreign exchange for our country. So, I would like to know from the hon. Minister whether the Government proposes to bring some changes in the baggage rules to differentiate the tourists and the Indians working abroad and to provide more concessions in the baggage rules for the Indians working abroad, while coming to India?

SHRI A.K. PANJA: Sir, it is not correct to say that there is no difference between the tourists, the non-tourists and people who want transfer of residence. There is a clear-cut division which is controlled by various rules.... (Interruptions).... I am not talking about the TRs. I am talking about others. There are three types of Rules. They are Non-tourists Baggage Rules, 1978, Transfer of Residence Rules, 1978 and Tourists Baggage Rules, 1978. These Rules were promulgated under Section 79 of Customs Act, 1962. Non-Tourists Baggage Rules give the clear details which are lengthy. It gives the facilities which are available in a clear manner. So far as the workers and others are concerned, if they fall under transfer of residence rules and are working abroad for more than two years and if they ask for transfer of residence, then various facilities are made available for them. It is not that only Rs. 1250 is made available for them. I am sure that the hon. Member will go through these Rules. If the hon. Member wants, I can