

SHRI ADHIR CHOWDHARY: What is the quantum of money earmarked for West Bengal on this issue?

MR. DEPUTY-SPEAKER: He will send the information to you in writing.

SHRI ADHIR CHOWDHARY: Sir, please ask him to do so. ... *(Interruptions)*

MR. DEPUTY-SPEAKER: I have already asked him to do that. Mr. Minister, send the details the hon. Members have asked for, in writing.

SHRI ARJUN CHARAN SETHI: Sir, this is a Calling Attention on Bihar only. However, many Members have raised other issues.

MR. DEPUTY-SPEAKER: Not many, only four-five Members have raised their issues.

SHRI ADHIR CHOWDHARY: Sir, the problem of rivers is not confined only to Bihar. It is an all-pervading issue. ... *(Interruptions)*

SHRI ARJUN CHARAN SETHI: You had better approach your State Government. ... *(Interruptions)*

[Translation]

MR. DEPUTY SPEAKER: Ram Vilas Paswan ji, why are you rising when your question has been answered.

... *(Interruptions)*

SHRI RAM VILAS PASWAN: Mr. Deputy Speaker, Sir, hon. Minister has not replied about Phuiya-Darajla. ... *(Interruptions)*

MR. DEPUTY-SPEAKER: Rest of your queries will be replied in writing.

... *(Interruptions)*

[English]

MR. DEPUTY-SPEAKER: Item No. 22—Shri Chandrakant Khaire.

... *(Interruptions)*

MR. DEPUTY-SPEAKER: Nothing will go on record except Shri Khaire now.

15.18 hrs.

- (ii) **Situation arising out of huge amount of bank dues outstanding against Fateja Forging and Auto Parts Company, Aurangabad and steps taken by the Government in regard thereto.**

[Translation]

SHRI CHANDRAKANT KHAIRE (Aurangabad, Maharashtra): Mr. Chairman, Sir, I draw the attention of the hon'ble Finance Minister towards the following matter of urgent public importance and request him to make a statement in this regard:

"Situation arising out of huge amount of bank dues outstanding against Fateja Forging and Auto Parts Company, Aurangabad and steps taken by the Government in regard thereto"

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): Mr. Deputy Speaker, Sir, my colleague Shri Chandrakant Khaire of Shiv Sena Party has given notice for calling attention motion, I rise to reply in this regard.

Hon'ble Khaireji always remains vigilant of his Parliamentary constituency. He has asked about the action proposed to be taken by the Government against Fateja Group of Company located in his Parliamentary constituency for its wrong deeds and the present situation of the company arose out of it. Fateja Groups of Company, Fateja Brothers and Forging and Stamping Ltd. And Fateja Forging and Auto Parts manufacturing Ltd. Companies are manufacturing spare parts of two and four wheeler vehicles. This company was established in 1968 and became public limited company in 1980. Initially, under the leadership of Punjab National Bank. ... *(Interruptions)*

THE MINISTER OF STATE IN THE MINISTRY OF YOUTH AFFAIRS AND SPORTS (SHRI VIJAY GOEL): Parliament is discussing an individual company. ... *(Interruptions)*

SHRI ANANDRAO VITHOBA ADSUL: It has to be taken up once it is admitted. ... *(Interruptions)*

KUNWAR AKHILESH SINGH (Maharajganj, UP): Mr. Deputy Speaker, Sir, scam has taken place. ... *(Interruptions)*

SHRI ANANDRAO VITHOBA ADSUL: It is true that scam has taken place. ... *(Interruptions)*

SHRI CHANDRAKANT KHAIRE: A bungling of Rs. 850-crores has been committed. ... *(Interruptions)*

SHRI ANANDRAO VITHOBA ADSUL: Government is ready to give reply. ... *(Interruptions)*

MR. DEPUTY SPEAKER: What is this?

... *(Interruptions)*

[English]

MR. DEPUTY-SPEAKER: The hon. Minister is replying, you should not interrupt.

... *(Interruptions)*

[Translation]

SHRI CHANDRAKANT KHAIRE: I have the information regarding bungling of crore of rupees. ... *(Interruptions)*

MR. DEPUTY-SPEAKER: That's why notice for calling attention motion has been admitted.

... *(Interruptions)*

SHRI CHANDRAKANT KHAIRE: Mr. Deputy Speaker, Sir, only 10 minutes have left and I have not raised my questions till now. ... *(Interruptions)*

MR. DEPUTY SPEAKER: You would be able to raise questions. That's why it has been taken up.

... *(Interruptions)*

SHRI VIJAY GOEL: Mr. Deputy Speaker, Sir, can Parliament discuss an individual company. ... *(Interruptions)*

SHRI CHANDRAKANT KHAIRE: Why are you disturbing? You are not a Member rather you are a Minister. ... *(Interruptions)*

MR. DEPUTY-SPEAKER: Khaireji, you yourself are wasting your time. You please be calm and quite.

... *(Interruptions)*

[English]

MR. DEPUTY SPEAKER: Hon'ble Minister, please give the reply.

... *(Interruptions)*

[Translation]

SHRI ANANDRAO VITHOBA ADSUL: They got loan as working capital from the banks and infrastructure companies set up under the leadership of Punjab National Bank. This company was doing well till 1995-96, they gave dividend also. But later on in the name of organisation and expansion, they took loan through shares, promoter's funds and on the basis of turnover of some organisations, they even received loan from the non-banking Financial institutions at higher rate of interest. Since then, company's condition started deteriorating. Alongwith the higher rate of interest, they had to pay higher rates for the borrowings from Private Financial companies. Consequently, mismanagement started and the company began to make losses. I have mentioned 206.30, the company spent this entire amount at that time. Unfortunately, at that time automobile industry was passing through the recession. This affected the company adversely and in 1996-97, the company suffered a loss of Rs. 167.30 crore. The company continued to suffer losses for many years. In 1999 the company was closed down. The company had approached BIFR in 1997. On 24th March, 1999 BIFR declared the company as a sick unit. ... *(Interruptions)*

Through its management, company filed an appeal against it but it was dismissed. Thereafter, through the advertisement of ICICI in newspapers, they informed about the change of management but no response was received and nobody came forward. Thereafter the company was locked out. Then BIFR suggested that the Management and ICICI together should give a good proposal but no such proposal came and ultimately the company was wound up. The criminal cases were filed against the promoters of the company because of the mismanagement and they did not repay the loans taken from the banks. IFCI also filed criminal cases against them for not issuing the cheques. This company had taken over the Singapur branch of Bank of India after passing a loan of 12.5 million US dollars. The company had taken some funds from this branch as an allowance to purchase machinery but they spent it elsewhere for which Bank of India filed a case in CBI. This is the present condition of the company. I am aware what Khaireji wants. He is worried about more than 4500 workers who are not getting salary

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for the last 3-4 years since the company has been wound up. As per the workers, there are some irregularities in their Provident Fund also. CBI inquiry has been initiated and the result would come in few days. The Government has received all this information from the Reserve Bank.

SHRI CHANDRAKANT KHAIRE: You have taken up this calling attention at this time, before that a major problem of my friends from Bihar was discussed. ... *(Interruptions)* Sir, you have to give 10-15 minutes more because it is a major scam. We all are representative of people. Suppose Akhilesh Singh ji asked the manager of a Bank to grant a loan of Rs. 50,000 or one lakh to some unemployed person, but the bank authorities do not grant the loan. We go to the bank for several times but they do not sanction the loan. My submission is that some action should be taken against the banks which are involved in irregularities of crores of rupees. This company is situated in my Parliamentary Constituency. 300 workers were engaged in it but in 2001 it was locked out. After lock out, there was a dispute of provident fund of the workers which was under discussion with the Deputy Labour Commissioner also. However, the workers did not get anything as compensation or remuneration. Thereafter, inspite of having dues of 46 lakh rupees as Provident Fund of the workers, they sealed the company and stated that they had become defaulters. The company had played this trick earlier also before the company was sealed. In 1997, the company was in very bad shape. It has been written there:

[English]

"Since 1997 this group of companies started committing defaults in their payments to the institutions. Financial mismanagement and indiscipline,..."

[Translation]

The money that was borrowed from other sources was also not repaid. Thus heavy amount is outstanding against them. A sum of Rs. 121 crore of IDBI is outstanding against this company. God knows how the PNB which is a lead Bank did help them in getting so much of amount. It seems that the owner of Fateja might be the relative of CMD. Rs. 115 crore of ICICI, Rs. 89 crore of IFCI, Rs. 21 crore of State Bank, and Rs. 54 crore of Bank of India are outstanding against them. Overall Rs. 500 crore are outstanding. I would like to tell about the situation prevailing there. When the Bank of India lodged complaint with the CBI, CBI and the workers looked for the owner

but he was not found. He was selling out machinery in the name of scrap. When the industry workers went there to stop him from doing so, he was not there. Then they approached court. Thereafter, the company was sealed by provident fund. However, after breaking the seal with the help of fake documents Rs. 100 crore was sold at Rs. 35 lakhs. The owner of Fateja wrote a letter to Ambica Scrap Centre, Pune.

[English]

MR. DEPUTY-SPEAKER: Is it the pleasure of the House to extend the time for this discussion by 15 minutes?

SHRI RAMESH CHENNITHALA (Mavelikara): There should not be any encroachment on the time of the Private Members' Business. ... *(Interruptions)*

MR. DEPUTY-SPEAKER: Only 15 minutes are required. Having taken up the discussion, let us finish it

[Translation]

SHRI RAMJI LAL SUMAN (Ferozabad): Mr. Deputy Speaker, Sir, the proposal should be moved in the House that P.M.B. Bill listed for today can not be taken up. Since today is the last day of the session, one hour be allotted for Zero Hour.

SHRI MULAYAM SINGH YADAV (Sambhal): We too have to speak in Zero Hour, so please give some time to all the Members.

[English]

SHRI PAWAN KUMAR BANSAL (Chandigarh): In any case, now no other business except the private members Business will be taken up.

MR. DEPUTY-SPEAKER: Yes

So, the time for this discussion is extended by 15 minutes.

[Translation]

SHRI SHYAM BIHARI MISHRA (Bilhaur): What about Rule. 377?

MR. DEPUTY-SPEAKER: That will be taken up after this.

SHRI CHANDRAKANT KHAIRE: Rs. 500 crore are outstanding against them. Rs. 46 lakh of provident Fund

is also outstanding. Besides this the amount of employees is also due. The machinery scrap of the company was worth Rs. 100 crore but with the help of fake documents it was sold in Rs. 35 lakh. The police and other officials did not pay attention to the transport of the scrap. When the scrap of the company was being transported to other places after breaking the seal of the provided Fund authority, the workers approached there and lied before the trucks and demanded their dues. Despite the court order scrap was transported with the help of forged documents. It was mentioned in the fake document.

[English]

"With reference to the above subject, we have sold this scrap, cable wires etc. The total scrap is 700 tonnes."

[Translation]

Such huge scrap worth Rs. 100 crore was sold in only Rs. 35 lakh. The person who prepared forged document and put his signature was the owner of Fateja. I would like to submit that today we have passed IDBI Bill. We should also ponder over the functioning of the banks. If Rs. 25,000 of a bank is outstanding against any one, it is recovered. The minister of the concerned department relating to banking belongs to our party. However, I would like to allege the banking Ministry that if someone wants to take a loan of Rs. 1 lakhs, he has to visit the bank hundred times.

MR. DEPUTY-SPEAKER: Are you alleging the Minister of banking.

SHRI CHANDRAKANT KHAIRE: I am alleging the banking administration. Suppose there is a middle class industrialist. He has working capital amounting to Rs. 5 crore or Rs. 10 crore. It is not easy for him to get loan. If one intends to take loan in three digit or four digit, that is, Rs. 100 crore or more than that, then the loan is sanctioned to him. If our people's representative rings up any bank and tells them that so and so child is poor, please give him loan, they will not give loan to that child. The officers of the banks were aware that there is dues of the banks and the company was sealed yet the administration of the said five banks did not act accordingly.

Sir, I would like to submit that there are several such companies which have swallowed public and Government money. Thorough inquiry should be conducted against such companies. The enquiry should also be held regarding the mismanagement of the banks

and how the money was withdrawn from the banks. The guilty officers should be suspended and CBI inquiry should be conducted regarding all the cases including Bank of India. How Rs. 500 crore of banks will be recovered as the owners who had taken loan have gone to abroad. Four-five workers have died and rest are dying of hunger. The action should be taken against these officers of Punjab National who are found guilty. It is public money. If such things happen then what message will go to the people. The owners of Fateja company should be extradited and the entire amount should be recovered from them. The strict inquiry should be held by CBI against the guilty officers. I would like to demand that the workers should get their money.

[English]

MR. DEPUTY-SPEAKER: As a special case, I am permitting Shri Shivaji Mane. Today being the last day of this session, I am going liberally.

[Translation]

SHRI SHIVAJI MANE (Hingoli): Mr. Deputy Speaker, Sir, hon'ble Chandrakant Khaire ji has moved calling attention motion on the recovery, however through you, I would like to submit that NPA of banks is above one lakh crore rupees. Hon'ble Chandrakant Khaire ji has asked about the recovery from only one company, that is, Fateja. Infact there are many such companies against which crores of rupees are outstanding and for which the Government have introduced one time settlement scheme. If the marginal farmers take a small loans of Rs. 20-25 thousand and they fail to repay it, their agricultural field and houses are attached. I would like to know whether the Government propose to attach the properties of such people who are not repaying loans and bring legislation at the earliest in this regard. Otherwise several years will be wasted in legal altercation in BIFR, DRT, High Courts and Supreme Court.

SHRI ANANDRAO VITHOBA ADSUL: Mr. Deputy Speaker, Sir, I respect my colleagues hon'ble Chandrakant Khaire ji and Mane ji and also respect their sentiments. As I said in the beginning that the company was functioning well till 1996. IDBI Punjab National Bank, ICICI, State Bank of India IFCI and Bank of India have been mentioned. They had also provided loans to the company. It had also taken loan for the expansion and modernisation. Then there was recession in Automobile sector and the company continued the function in loss. ... (Interruptions) As I have told earlier that their mismanagement was also responsible for that. It was on

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account of that loss that the company could not overcome difficulties. Cases have been filed against them by the banks. Case is pending in DRT and Bank of India has also registered case with CBI. Everything will automatically come before us. Our colleague Shri Mane ji have submitted that earlier there was no one time settlement for farmers under cooperative Bank, however, now this facility has also been extended to them. Whether it is loan of Rs. 10 thousand or Rs. 50 thousand they have also this facility. Member has asked second question regarding the recovery. In the last session Scrutinisation Act was passed by the same House and has also been enforced. The property of the wilful defaulters has been mortgaged and it is under the possession of banks. Banks can sell it out to recover the loan amount. The steps have been taken in this direction and this process is continue. Last year in 2002, NPA of Public Sector was 12 percent which has reduced to 4.6 percent. It means that recovery has improved under the one-time-settlement and it is also being done under the Scrutinisation Act.

As far the property of Fatehja group of companies is concerned, their property is under the possession of bank and criminal cases have been also registered against them. One day they will be brought to book wherever they go. Today I can say only this.

SHRI CHANDRAKANT KHAIRE: Sir, Rs. 500 crore are outstanding against them. How will it be recovered. I would like to know whether CBI inquiry will be held by the Government against them.

MR. DEPUTY SPEAKER: CBI enquiry is going on.

... (Interruptions)

SHRI CHANDRAKANT KHAIRE: I want to say that other industries should not do so. The Government must think over it. ... (Interruptions)

SHRI ANANDRAO VITHOBA ADSUL: I would like to say that please give the additional information in writing you have with you. The Government will hold an enquiry into it.

... (Interruptions)

[English]

MR. DEPUTY-SPEAKER: Matters under Rule 377 be treated as laid on the Table of the House, including the stand-by list of the Members permitted as a special case.

15.42 hrs.

MATTERS UNDER RULE 377*

- (I) **Need to clear the proposal of the Government of Gujarat to upgrade certain coastal ways and State Highways to National Highways.**

[English]

SHRIMATI JAYABEN B. THAKKAR (Vadodara): The Government of Gujarat had written letter to the Central Government to upgrade coastal ways to National Highways and other 13 State Highways to National Highways. The matter has not been resolved as yet.

I urge the Government to resolve the issue at the earliest.

- (II) **Need to retain Brahmavart railway station and convert narrow-gauge line between Mandhna and Bithoor into broadgauge in U.P.**

[Translation]

SHRI SHYAM BIHARI MISHRA (Bilhaur): Mr. Speaker, Sir, Bithur is an ancient, historical and religious place under Kanpur metropolis. On the Brahmavart Ghat in Bithur, there is the 'Khunti' of mythological character 'Brahma', Balmiki Ashram, the place of austerity of mother 'Sita' and the birthplace of Luv-Kush is situated there. Boy Dhruv had practiced austerity at 'Dhrub-Teela'. This is the place of work of Rani Laxmibai, Tanya Tope and Nana Saheb. The Britishers had set up a railway station in the name of 'Brahmavart'. A rail tracks of 20 Kms. from Mandhna Junction was laid down and it is working since then. Now the railway department have closed this railway station. Now rail tickets are being sold on contract basis here, all signals have been uprooted. The meter gauge line from Mandhana to Brahmavart has not been included in the gauge conversion work between Kanpur-Farukhabad rail line. It appears that the department of railway wants to scrap the operation on this line. This has caused great resentment among resident of the area especially the sadhus. I would like to request the Union Government and the hon. Minister for Railways that status quo be maintained for Brahmavart railway station and the meter gauge line between Mandhana and Bithur may be converted into broad-gauge line so that historical character of ancient and religious places could be maintained.

*Treated as laid on the Table.