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Title: Further discussion on the motion for consideration of the Tyre Corporation of India Limited (Disinvestment of Ownership) Bill, 2007 moved by Shri Santosh Mohan Dev on the 22<sup>nd</sup> November, 2007 (Motion Adopted and Bill Passed).

**प्रो. महादेवराव शिवनकर (चिमूर):** माननीय सभापति जी, दो बजे के बाद जीरो अॉवर होना था।

**कुछ माननीय सदस्य :** छः बजे के बाद होना तय हुआ था। ...(*Interruptions*)

MR. CHAIRMAN: The House will now take up item No. 21, namely, discussion on Tyre Corporation of India Ltd. Shri Kharabela Swain may continue.

SHRI KHARABELA SWAIN (BALASORE): The Tyre Corporation of India became sick in 1985 itself and it was referred to BIFR in May, 1992. It closed one of its units in Tongra in August, 2001. So, it is the BIFR which had instructed the Government to find a strategic partner. That is the reason for which the Government has come up with this Bill. Yesterday, I had told that I support the process of disinvestment. But my first question is, does the Government have any disinvestment policy at all. What is the policy of this Government with regard to disinvestment? I am asking this question to them. Should they go for divesting their equity in a public sector undertaking? It is because only the BIFR is directing them. Several times, this Government has come forward to divest five per cent of this company or ten per cent of that company but again it had already been declared in the newspapers that they wanted to do this. Then the Left opposed it and they were compelled to withdraw the notification issued by the Government. Should not a strong Government effectively deliberate or act? This is my question.

Now they are talking about strategic partners. What has the Government done to find out a strategic partner for the Tyre Corporation of India? Have they found any? Or are they just going on trying for that? There is a provision in clause 5 of the Bill. It says that while it will be divested to any private party, the private party will have to retain all the employees excepting the Chairman and the Director of the Board. They will have to retain all the employees at least for one year.

My question to the hon. Minister is this. What will happen to those employees after one year? Would they be under the mercy of the new owner? If he says that, after one year, he does not want any of the employees, then what will happen to them and what protection will the Government provide to these employees?

My next question to the hon. Minister is this and the hon. Finance Minister is also present here. After it had fallen sick and referred to the BIFR, what is its present book value? Is it on the negative side? I have a strong feeling that the Tyre Corporation of India is having a negative book value. When you are having a negative book value, I am very surprised that you are going in for a strategic partner. Who will come forward? I do not know on this point. But is it a listed company? The hon. Minister may reply to this question.

How many PSUs under the Ministry of Heavy Industry and Public Enterprises are sick now with a negative book value? How much loss has the Government incurred in the last financial year on account of such public sector undertakings? I would also like to know from the hon. Minister whether any dues are left with the Tyre Corporation of India Limited. If so, what is the Government going to do to pay back the dues?

If any public sector undertaking falls sick and incurs losses year after year, should the Government go on incurring such losses and put the financial burden on the people of this country just because UPA's supporting parties, that is Left Parties are opposing it? I would like to know it from the Minister.

SHRI S.K. KHARVENTHAN (PALANI): I am thankful to the Chair for giving me this opportunity to participate in the discussion and support this Bill.

Tyre Corporation of India Limited (TCIL) was formed in February, 1984 by vesting of assets, rights, and titles of the two erstwhile sick companies, M/s. Inchok Tyres Limited and M/s. National Rubber Manufacturers Ltd. as per Nationalised Act No. 17/1984. The above two industries were transferred and vested with TCI from 5<sup>th</sup> March 1984. Tyre Corporation of India Limited has one operating tyre unit at Kankinara in West Bengal. It is presently doing conversion job for other tyre industries, like J.K. Tyres, Modi and others due to non-availability of working capital from banks. Industrial Rubber Division, the other unit in Tangra was closed with the permission of the Ministry of Labour and the BIFR and employees were given VRS in 2001. Another unit, Reclaim Rubber in Kalyani Industrial Estate in West Bengal was closed in August 2003.

The Tyre Corporation of India Limited is now facing problem of non-availability of working capital from banks. It is not having radial technology for manufacturing tyres. The machines are outdated. Moreover, the Tyre Corporation of India Limited is not having its own brand for tyres and not having network of marketing. Without finance, without latest

technology and marketing, the Tyre Corporation of India Limited is struggling hard for its survival.

The private tyre manufacturing industries are using latest technologies and are producing good materials and marketing successfully. The Tyre Corporation of India Limited is not able to compete with private industries. It is not able to provide good salary to its employees. The present strength of employees, working on regular basis, as on 31<sup>st</sup> March, 2007 is 270. Contract labourers are 657. The employees of the Company are drawing 1987 pay scale. The paid up capital of the company is Rs. 93.10 crore. The net worth of the Company as on 31<sup>st</sup> March, 2006 is Rs. 616.02 crore. The annual wage is Rs. 9.98 crore. The Tyre Corporation of India Limited has become a sick industry and reference was made to the Board for Industrial and Financial Reconstruction, BIFR.

The proposal was put forth for restructuring the Tyre Corporation of India Limited during February, 2005 and on 29<sup>th</sup> November, 2005 the Company was asked to find out technology and further improve the profitability and the market share of the Company.

This Bill is presented to change the public character of the Company as per the judgement of the Supreme Court in the case of Centre for Public Interest Litigation Vs. Union of India 2003-07-Supreme Court Cases, page 532.

This Bill was introduced in the Lok Sabha on 17<sup>th</sup> May, 2007 and has been referred to the Parliamentary Standing Committee on Industry on 25<sup>th</sup> May, 2007. After elaborate discussions and deliberations, the Parliamentary Standing Committee has suggested some important amendments in the original Bill. First, it has suggested a change in the Preamble of the Bill and some changes in payment of consideration for disinvestment in the company. Further, it recommended for assessing the market value of the land, assets and liabilities of the company in accordance with the prescribed valuation methodology and the land also should be used after getting necessary approval from the Government of India. These are the suggestions given by the Parliamentary Standing Committee which can be welcomed. In the recent past, we come across so many industries and institutions owned by the Government of India were sold out for a meagre amount in the name of disinvestment.

The Parliamentary Standing Committee has further suggested continuance of the employees, officers other than the Chairman and Directors of the Company after the disinvestment for a period of three years from the date of disinvestment.

During that period, they are allowed to get some salary and other allowances. This was suggested by the Government of West Bengal.

Based on the recommendations of the Parliamentary Standing Committee, the Bill is suitably amended and presented.

Clause 3(1) of the Bill explains the payment of consideration for disinvestment in the Company. The manner of disinvestment is explained in clause 4. Provisions for officers and other employees are provided in clause 5(1).

The Standing Committee has recommended a change in Sec 5(1) of the Bill relating to the increase in period of protection of service conditions of existing employees after disinvestment to three years instead of one year from the date of disinvestment proposed originally. This recommendation was accepted and the Bill was amended accordingly. By amending this Section, the rights of the employees are protected.

Based on the recommendations of the Standing Committee, a new Section 6 has been incorporated in consultation with the Ministry of Law and Justice.

So, considering all these aspects, I am supporting and welcoming this Bill.

SHRI SWADESH CHAKRABORTTY (HOWRAH): Sir, on behalf of my Party, Communist Party of India (Marxists), I rise to discuss this Bill.

We have discussed this Bill thoroughly in the Standing Committee and I am happy that the Ministry has accepted the recommendations of the Standing Committee.

Sir, 'disinvestment' is a word which is very touchy and this disinvestment in the name of reform has disengaged various Governments in the country right from the time of late Prime Minister, Shri Narasimha Rao. Moreover, whichever Governments have supported disinvestment, they have been disengaged from the power by the masses of the country. So, as a matter of policy, we are against disinvestment.

The theory that public sector undertakings have eaten away public exchequer is not correct. I do not have much time to explain here, but if you see the Central Budgets every year, the amount of money that comes from the public sector undertakings in the form of taxes and dividends is definitely not much more than the amount given by the State Government to these sick public sector undertakings. So, there is a theory that these sick public undertakings are not at all necessary. They are eating away the public exchequer. So, as a matter of policy, all sick public sector undertakings should be disinvested, and the workers should be thrown on the street.

Sir, we oppose this policy. But we agree with the Government on certain points as in the case of Tyre Corporation of India Limited. It is because in this particular case, we think this sort of disinvestment with the saving clause that the employees and workers should have their job guaranteed for three years and not one year is welcome, as was mentioned by my earlier colleague. We know that most of the employees are very old here and the earlier Government has thrown away 50 per cent of the employees in the streets.[\[a19\]](#)

By giving them forced VRS, the Government has thrown away the employees. The sickness of the company is due to the payment of VRS. To pay the VRS amount to the employees, the company has gone sick. This is not the case of only the Tyre Corporation of India but this is the case of many Central Public Sector Undertakings which have been shown in the red simply because the Government policy has forced them to throw the employees on the streets and give the VRS amount from their own fund.

In this particular case, by the effort of the employees who are still doing the job, the company is gaining some amount of profit these days. This goes to the credit of the workers working in the particular factor. Though the Tangra Unit in Kolkata has already been sold out during the regime of the previous NDA Government, yet the present Unit is earning some profit now. Still, we agree to it because we think that by a period of three years, most of the employees will get their dues, retirements benefits.

Here, my only appeal to the hon. Minister is to consider one thing about the pay scale. We discussed it in the Standing Committee. But as it is a matter before BIFR, when it comes out of the BIFR, it could be considered. The point is that the pay-scales of the employees have not been revised, probably, since 1984. So, the pay-scales of the employees should be revised in the present upgraded form as in the other CPSUs so that the employees who are still in the factory and who work hard for the improvement of the factory can get their due benefits.

With these words, I support this Bill.

SHRI BRAJA KISHORE TRIPATHY (PURI): Mr. Chairman, Sir, we are just discussing the Tyre Corporation of India Limited (Disinvestment of Ownership) Bill, 2007 . This Bill which has been introduced in this House for our approval now is now exposing the Government action and their sincerity for the development of the tyre industry in the country.

This industry was nationalized in the year 1984 with the intention of building up the tyre industry in a better way in the country. Tyre industry, as you know, is a very vital industry in the automobile sector. So, for its improvement and modernization, it was nationalized in the year 1984. Although the modernization scheme of this Corporation was recommended by the PIB in 1987 for implementation, yet it was delayed. The Government did not take steps at the appropriate time. The cost escalation, time overrun and all these things stood in the way of modernization. So, it could not achieve its goal and the target. Ultimately, it had become a sick industry and it had been referred to the BIFR in the year 1982. Since then, it was just moving in some courts, some litigation was here and there. It was ultimately placed before the BIFR. The question was just how to make the revival of the industry possible. Ultimately, most of the employees had taken VRS as the ultimate goal.

Ultimately, it had been referred again to the Board for Reconstruction of Public Sector Enterprises for its final decision. This modernisation scheme could have achieved the goal of this industry and the intention of the Government. In a way, it could not reach the goal, although there was some good investment in this industry. Now, the Government is proposing for joint venture. Originally, Government was not so much interested and keen to take the approval of this House. It was because of intervention of the court and the court's order that they are here. It is not possible to take any decision without the approval of Parliament. So, Government have ultimately come to take the approval of the Parliament. This is a public sector enterprise which is a national industry and Government money was invested in that company. So, it

was necessary to take our approval. But, I would like to know about some of the facts about the position of this company. Now, it will go for joint venture. But, what is the comparative net worth of the company in 1992 and its current net worth, this House is entitled to know? When we are approving and giving permission for disinvestment, we should know as to what was its net worth in 1992 and its current net worth. Has the Government given any budgetary support in between to revive this company in the intervening period? What is the rationale behind converting the secured loans into unsecured equity? What is the rationale behind the final restructuring of the company including huge waivers of dues and conversion into equity only to enter joint venture, which will change the ownership of the company. When we will give approval, we should know all these things. The Minister should tell us about it. What is the position of the company now?

This company's revaluation was done in 2000-2001. Since then, it was not revalued. This is 2007-2008. So, what is the real value of the company? Has the Government revised the valuation of the company after 2001? We must know. So, I would like to request the hon. Minister to give this picture whether before this joint venture, they will go for the assessment of the valuation of the company.

We are also discussing the tyre industry and its different aspects. This is a rare opportunity for the House to discuss the tyre industry and I would also like to know something from the Government. We know this industry is very important industry for the country in general and the automobile industry in particular. This sector was delicensed in 1989. After this delicensing, what is the development in the country regarding this particular sector? Some of the weaknesses of the company are lower spending on basic research and development in comparison to global tyre sector, lower productivity, infrastructural and related bottlenecks, higher cost of raw materials, absence of radial technology, which is quite vital now and dearth of adequate number of technical professionals. [\[MSOffice20\]](#)

This industry is threatened by the advent of radial tyre technology. We are not equipped with radial tyre technology. Now the world is moving towards radial tyre technology. So, this is a threat to this industry in this country.

Then, import is increasing on account of reduction in customs duty. Fortunately the Finance Minister is also present here. Due to increasing imports, the domestic tyre industry is suffering and massive import from China is taking place. The imports have started threatening the very survival of the tyre industry in this country. This is the position of the industry as a whole. So, I would like to know as to what the Government proposes to do in order to see that this industry survives and grows further in the country. Otherwise, we shall have to depend only on imports. Now, the automobile industry is growing day-by-day due to the present day needs.

Therefore, when the Government is considering disinvestment, the Government has to come out with its perception towards the tyre industry. The Finance Minister can also intervene and reply about customs duty reduction due to which the tyre industry is suffering. Then, I hope the hon. Minister of Heavy Industries would reply to my other queries.

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Mr. Chairman, Sir, we are dealing with the fate of a Public Undertaking now. The irony is that this particular limited company has been declared as a sick organization long before. In the Statement of Objects and Reasons it is stated that this Undertaking has been declared as a sick company in the year 1984. This company was incurring losses all these years and some of its units, which have been functioning well earlier, have also been closed down now. It is also mentioned that the company is incurring heavy losses year after year.

So, it is high time for us to take some action in the matter. The Ministry itself cannot take any action on this matter. The company also cannot take any action. The Central Government only can take action and that too by passing an amendment to the Act in this House. For this purpose, this disinvestment proposal has come before us. When we consider this, the rights and liabilities of the employees, who are employed there, will have to be given the prime consideration. In the first place, it was stated that their rights and liabilities would be considered for one year. We are happy to know that this has been extended for a period of three years now. But I do not know whether all the liabilities and claims would be settled within that period. This would be known only by experience in future and that also will have to be taken into consideration. [\[R21\]](#)

Now, as far as disinvestment process is concerned, we must realise that tyre industry, at present, is not in a loss. It is flourishing day by day. We see advertisements in every nook and corner of the country that private companies are flourishing day by day and making huge profits in that particular field, in that industry. But unfortunately, a public

undertaking owned by the Government could not flourish due to reasons which we do not know, but reasons are quite known to all of us.

I am not going into the history of this. There was mismanagement and without any infrastructural development, this company was functioning and naturally it ended in a loss. So, I think, this is an eye opener to the Government of India that there are such Public Undertakings in India which are functioning at a loss and we are incurring huge losses.

Now, the intention of this disinvestment is to bring new technology and further improve the profitability and market share of the company. Was this new technology unknown to this company? They could have imported this new technology and the company could have been revived. But all the rectification proceedings failed, and in the arbitration, in spite of the best efforts of BTR, the Board of Reconstruction of Public Enterprises has recommended for financial and capital restructuring in the Tyre Corporation of India Ltd. They have also recommended for disinvestment. We have no other option but to go as suggested by the Board.

With these words, I support the Bill and I would request the hon. Minister not to come to the House for disinvestment in every matter and this will be a common procedure for all of us to decide. So, I think, with a very sad heart, I support the Bill in the interest of the State as well as in the interest of employees who are working in this company.

I think, the Government will take appropriate effective steps to rectify all the mistakes committed in the past and do all that is possible, which is in the best interest of the State as well as the employees.

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): Mr. Chairman Sir, at the very outset, I convey my thanks to all those Members who participated in this debate.

The Bill, as you know, has come back from the Standing Committee, it had an in-depth discussion about this particular Bill and it unanimously recommended four matters to be considered by the Parliament and by the Ministry. We are happy to inform this august House that all the four recommendations, which have been given by the Standing Committee, have been accepted by us.

Yesterday, when our friends from BJP walked out, my other friend was telling me about this particular department bringing some views of different Members, including, Shri Braja Kishore Tripathy, who has just left. They tried to give a picture that this Government is only disinvesting and not doing anything. I did not get a chance to say that this department is working in collaboration with other Ministries, particularly, the Finance Ministry and you will be happy to know that till now we have revitalized or made viable 26 Central public sector industries, some are in the pipeline, which are also coming very soon and three more cases are coming to the Cabinet.[\[r22\]](#)

The market share that stands today is 11.12 per cent in comparison to 2005-06. The number of profit-making CPSUs increased from 138 in 2004-05 to 187. It is not only that; the losses of loss-making CPSUs decreased from Rs. 9,356 crore during 2004-05 to Rs. 5,952 crore during 2005-06, a decline of 36.38 per cent. This is the achievement of the policy which the UPA Government is following. The contribution to the Central Exchequer in terms of dividend, interest and taxes increased from Rs. 1,06,603 crore in 2004-05 to Rs. 1,25,384 crore showing a growth of 13.36 per cent.

A question was raised as to what is the policy of disinvestment. The Common Minimum Programme of our Government says that no *Navaratna* company's share will be disinvested and for those companies whose share will be disinvested, it will be done in consultation with the concerned workers, trade unions. It is not only that, we have formed a Board of Reconstruction represented by experts which have been drawn from various streams of work and industry. They make in-depth studies and give recommendations. Sometimes, even if it is found that their recommendations need some adjustment, a Group of Ministers meets and recommends. We are working in tandem with the Finance Ministry as well as with the other concerned Ministries. Today we can say that, roughly, more than 65,000 workers who at one time did not get their monthly salary, did not get their statutory liabilities, when our Government came, we met and made a policy that the statutory liabilities must be paid, salaries must be paid. In the course of three or four instalments, we have made it up-to-date in almost all the companies where there were dues. The disinvestment which has come is a technical thing. In fact, it is a method because there is a Supreme Court ruling that if a company is taken by an Act of Parliament, you have to come before the Parliament if you want to change the pattern of that company. For that particular reason, as he has rightly mentioned, we have come before this august House.

The hon. Members have raised certain points. I would like to answer some of the main points that have been raised and others I will write to you in detail. A question has been asked as to why Tyre Corporation particularly is asking for a joint

venture. The BRPSE said it should be having collaboration with the nationalised companies. Unfortunately, there is not a single tyre company in this country which is a nationalised organisation. So, we had to wait for a revised view from the BRPSE and then they said: "You go for a joint venture but joint venture must not have more than 51 per cent share." So, it was delayed. Ultimately BIFR agreed and said: "You give the revitalisation scheme and then you ask for your joint venture partner." After this has been done – if both Houses pass it – we will go in the market. You will be happy to know today that Apollo Tyres and some other companies have come. They are already cooperating with our this company. This company's contract and permanent labour is about 1000. They are already doing well. They are making a gross profit of about Rs. 1 crore per month, Mr. Chidambaram. You have helped us; it was asked whether it will be possible for them to turn around. They are turning around. This is one of the examples. It is not only that, out of 28, more than 16 of them are earning their own salaries now. [r23]

At one time, the Finance Ministry was a bit doubtful about this. That is why, sometimes I give credit. I am always a criticiser of CPI (M). I am happy to see that the trade unions under CPI (M) in West Bengal can turn around a sick company, if they really want. Now, they are doing it.

Sir, if you want me to give answer point by point, I will be taking more time. All the points that have been raised here have been taken note of. Some very important points have been raised.

About this tyre industry, yes, tyre industry in our country is a bit weak because of the fact that R&D is not lacking but because of the fact that competition is very much from outside. But in automobile industry, we have become a hub for the developed countries. We are doing extremely well. Recently, of course, the three-wheeler and two-wheeler companies are facing some problem in respect of price. Competition is there. Otherwise, we are the highest in the world today. We are going to the Finance Ministry in the ensuing Budget and we hope that we will get consideration for them.

As regards Shri Braja Kishore Tripathy's point about the company's revaluation, I will send him the figures. After this revitalization, it will turn around and we are sure about it. ...(*Interruptions*)

SHRI BRAJA KISHORE TRIPATHY : My important point was about revaluation. In fact, revaluation was done in the year 2001. Before going in for this joint venture, will you go in for revaluation or not? ...(*Interruptions*)

SHRI SONTOSH MOHAN DEV: This will be done by an Expert Committee. With due diligence it will be done. After that, we would go for negotiation. Without that, the Finance Ministry will not agree, and that will take three or four months. There are well known companies which do this due diligence, and these companies are duly recognized by the Ministry of Finance, IDBI and others. There are competent organizations which are doing this due diligence. They have done it in the case of sale of land of the textile industry. We have done that and we have gained.

You wanted to know what the budgetary support is. Yes, even now they are getting their salary from their own income. Before that, every quarter we used to revise and see the position. and then we used to give. The policy of our Government is that the statutory liability should be paid. When we came to power, at the first instance we gave five hundred and odd crores of rupees, which was the highest amount given by any Government after Independence. We have given this because our Common Minimum Programme says that the statutory liability must be paid compulsorily, and not paying the statutory liability is an unhealthy practice. We are still following this. During the regime of NDA also, they had given twice. This is the policy of our Government towards the trade unions and others. This is being followed by the subsequent Government.

It is not a listed company. You have asked that question. At present, out of these 34 companies with us, we have referred 20 companies to BIFR. At one stage, the disposal of BIFR was not very satisfactory. Now, it has improved because we are pressurizing them to give their verdict as early as possible. I am sure that in the next one year or so, many of the companies will turn around.

Some of the pharmaceutical companies were incurring heavy loss. In spite of that, the Finance Ministry helped them because they are producing essential medicines. So, in spite of the fact that it may not be viable, we had to pay this.

These companies have made a profit of Rs. 1,629 crore, and they have made profit of Rs. 2,966 crore in 2006. It is increasing. This is other than the big companies. ONGC and others are doing well. Now, small companies are also contributing in this profit. [h24]

The number of employees here is about 800. I think, Mr. Tripathy had raised it. There is a demand to increase the time of the job. The Standing Committee has recommended that the job of the employees, who would be joining it, should be three years; and we have accepted the recommendation of the Standing Committee. We will protect them for three years.

SHRI KHARABELA SWAIN : This is a genuine demand.

SHRI SONTOSH MOHAN DEV: Yes, of course. You had asked this question.

Another very important point that was raised was, what are the conditions of disinvestment. As regards disinvestment, as I said, we do not prefer and we are committed not to touch the *navaratna* companies. About the other companies also, we have said it. Take the case of Maruti. At one stage, Maruti was completely a public sector undertaking; then it became the private sector. Then, we had to take some money for the Bharat Nirman Programme, which was introduced by our Government, which requires funds. So, our Ministry had agreed to disinvest it, and that money has gone for the particular fund, which is for giving preference on education, health, construction of infrastructure like roads, and also for providing power to everybody by a particular time. So, for doing all these things, some more funds would be required.

Sir, Mr. Braja Kishore Tripathy also raised a question up to what extent the company would be given the liberty. Now, we have formulated a new policy. Earlier, even the *navaratna* companies and various public sector companies were required to come to us and take permission for doing various things. Now, up to Rs. 1,000 crore, they are free to give contract on their own. For an urgent work etc, if they want to go to foreign countries, they need not come to the Government for permission. They may simply inform that they are going to such and such a country to sign negotiation; they are allowed to do it. We have given this liberty to them. We have also given them the capacity, during the emergency, to take decisions up to a particular limit, which was started by the NDA Government. Each company has been given a particular limit on their own. Then, they may subsequently come to the Finance Ministry and others for approval. So, by taking all these steps, we are putting the activities of the private companies and our public sector companies in a competitive mode. Previously, we had to wait for the Government concurrence. That system has been changed. That change has given enough chance for improvement.

My friends from the CPI(M) have raised the point that continuous disinvestment should not be there. Of course, there would not be continuous disinvestment. But I am sure, we would have to see the purpose for doing disinvestment. We should utilise the money that is coming from disinvestment for improving of various sectors. Today, during the Question Hour, many hon. Members had more or less grilled my friend, Mr. Shinde, on electricity. Now, he needs money if he has to provide electricity to each and every village. Wherefrom would he bring the money? He would not allow the Finance Minister to levy a tax. So, whatever kitty he has got, by doing jugglery, which he is doing, he is bringing money out of different methods. Therefore, I think, the House should cooperate. We, beyond our politics, should see that the development takes place.

Many of the State Governments are following this method. Yes, the Orissa Government is doing well. They have taken very gigantic steps. I had met the Chief Minister of Orissa, and he told me about various steps being taken in regard to the power sector. They have got the raw materials and other facilities, and now their system is improving very fast. This is also something that due to the policy of the present Government as well as of the previous Government, the State of Orissa has been coming forward.

Sir, as I said, there are about 52 points raised by various hon. Members. If I answer to one, I must answer to the others also. But I promise that each and every point that has been raised, would be answered. With these few words, I commend that this Bill should be considered for passing.

SHRI SWADESH CHAKRABORTTY (HOWRAH): Sir, what about their pay-scale?

SHRI SONTOSH MOHAN DEV: It is a subject matter, which cannot be discussed here. But it will be considered in due course of time. The Pay Commission is already there. You cannot follow the recommendations given by the Pay Commission in 1987 indefinitely. [r25]

**15.00 hrs.**

They cannot continue with that. We agree with you but I cannot commit here. I can give an indication that we will consider it.

MR. CHAIRMAN : The question is:

"That the Bill to provide for disinvestment of Government's equity in the Tyre Corporation of India Limited and for matters connected therewith or incidental thereto, be taken into consideration."

*The motion was adopted.*

MR. CHAIRMAN: The House will now take up clause-by-clause consideration of the Bill.

The question is:

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

**Clause 3 Payment of consideration for**

**Disinvestments in the Company**

*Amendment made:*

Page 2, for lines 8 to 10, *substitute*,--

"by such company, such consideration, having regard to the optimum valuation of land, assets and liabilities of the company in accordance with a valuation method as specified by the Central Government.". (1)

(Shri Sontosh Mohan Dev)

MR. CHAIRMAN: The question is:

"That clause 3, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 3, as amended, was added to the Bill.*

*Clause 4 was added to the Bill.*

**Clause 5 Provision in respect of**

**Officers and other employees of the Company**

*Amendment made:*

Page 2, for lines 25 to 27, *substitute*,--

"under this Act, shall continue in office or service after such disinvestment, on same terms and conditions as would have been admissible to him if there had been no such disinvestment and shall continue to do so until the expiry of the period of three years from the date of disinvestments.". (2)

(Shri Sontosh Mohan Dev)

MR. CHAIRMAN: The question is:

"That clause 5, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 5, as amended, was added to the Bill.*

**Motion Re: Suspension of Rule 80 (i)**

SHRI SONTOSH MOHAN DEV: Sir, I beg to move:

"That this House do suspend clause (i) of rule 80 of Rules of Procedure and Conduct of Business in Lok Sabha

in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to the Government amendment No.3 to the Tyre Corporation of India Limited (Disinvestment of Ownership) Bill, 2007 and that this amendment may be allowed to be moved."

MR. CHAIRMAN: The question is:

"That this House do suspend clause (i) of rule 80 of Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to the Government amendment No.3 to the Tyre Corporation of India Limited (Disinvestment of Ownership) Bill, 2007 and that this amendment may be allowed to be moved."

*The motion was adopted.*

### **New Clause 6 Act to have overriding effect**

*Amendment made:*

Page 2, after line 30, insert,--

6. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in the Inchek Tyres Limited and National Rubber Manufacturers Limited (Nationalisation) Act, 1984 or any other law for the time being in force.". (3)

(Shri Sontosh Mohan Dev)

MR. CHAIRMAN: The question is:

"That new clause 6 be added to the Bill."

*The motion was adopted.*

*New clause 6 was added to the Bill.*

*Clause 1, the Enacting Formula, the Preamble and the Long Title were added to the Bill.*

SHRI SONTOSH MOHAN DEV: I beg to move:

"That the Bill, as amended, be passed."

MR. CHAIRMAN: The question is:

"That the Bill, as amended, be passed."

*The motion was adopted.*

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**15.03 hrs.**