

**Enforcing of Minimum Discipline  
Among Bank Borrowers**

798. SHRI K. PRADHANI: Will the Minister of FINANCE be pleased to state :

(a) whether the commercial bank borrowers have failed the "fast track" facility provided by the Reserve Bank of India in April last to obtain their credit needs speedily from the banks ;

(b) if so, the reasons therefor ; and

(c) the steps which his Ministry propose to take to enforce a minimum of discipline among the bank borrowers ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). No, sir. The concept of the "fast track" being a new one, the progress in availing of the facility is, however, slow.

(c) As regards discipline among the borrowers, circular instructions have been issued by Reserve Bank of India to banks from time to time in regard to adherence of inventory/receivables norms, lending norms and information system. While authorising credit proposals, RBI also insists on compliance with these norms where applicable. Instructions in a consolidated form have also been issued in January, 1985.

**Introduction of Direct Reduced Iron Technology in Public Sector Steel Plants**

799. SHRI K. PRADHANI: Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether Government have at any stage considered the economics of introduction of DRI (Direct Reduced Iron) technology in the public sector steel plants;

(b) if so, when and where;

(c) whether the Orissa Sponge Iron, which started commercial production through DRI technology in September, 1983, had to stall the production due to movement of coal by rail; and

(d) if so, the assistance proposed to be rendered to this Orissa project which has re-started production last year, particularly in the supply of coal?

**THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE):**

(a) Yes, Sir.

(b) In the context of finding out economic viability of production of steel at the new steel plant proposed to be set up at Vijayanagar, MECON made a techno-economic study on alternatives with conventional and Direct Reduction route of steel making in November, 1983.

A 30,000 tonnes per annum of Direct Reduction demonstration plant was commissioned by the Sponge Iron India Ltd. (SIIL) at Paloncha in 1980. The plant has shown good performance and SIIL is now setting up another similar module of 30,000 tonnes per annum which is likely to be commissioned in June, 1985.

SAIL have also set up a pilot plant of 10 tonnes per day capacity of sponge iron at Ranchi in 1982.

(c) and (d), During 1983 the Orissa Sponge Iron Ltd., represented about inadequate wagon allotment by the Railway for movement of coal. The matter was taken up with the Railway Board and thereafter with the Cabinet Secretariat. In view of the importance of the sponge iron route to the steel making in the country, the priority for movement of coal by rail for sponge iron plants including Orissa Sponge Iron Ltd. was upgraded to 'Steel Priority'.

**Proposed Nationalisation of Krishna Glass Works Limited in West Bengal**

800. SHRI SYED MASUDAL HOSSAIN: Will the Minister of FINANCE be pleased to state:

(a) the reasons for delay in nationalisation of the Krishna Glass Works Limited in West Bengal; and

(b) the reasons why the State Government has been asked to accept the pre-take-over liabilities of this unit when private entrepreneurs had mismanaged it and due to which Government propose to take over the unit ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) There has been no delay on part of the Government of India.

(b) The present policy of the Central Government relating to protection of dues of banks and financial institutions in cases of nationalisation is that the entire pre take-over and post take-over dues should be fully protected. In accordance with the above policy, the State Government of West Bengal has been requested to ensure Protection of the entire pre take-over and Post take-over dues of banks and financial institutions in the instant case.

#### Production Target of Tea in 1985

801. SHRI CHITTA MAHATA : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) the production target of tea in 1985; and

(b) the steps Government propose to take for its marketing ?

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH) : (a) Target of production of tea during 1985 is 655 Million Kgs.

(b) The Government has already announced the Tea Marketing plan for 1985 which seeks to optimise export earnings while ensuring adequate domestic availability at reasonable and stable prices. The obligatory throughput in auctions has been increased from 70 to 75%. Exports are to be restricted to 220 million Kgs. on the basis of a quarterly phasing with separate allocations among the different methods of exports in North and South India. Similarly buying for export in auctions will also be regulated and exports will be subject to MEP. Within the ceiling, there will be no restriction on exports of value-added tea and promotional activities will be constantly reviewed to give the necessary fillip to such exports.

#### Steps Proposed to Revive Sick Jute Mills

802. SHRIMATI JAYANTI PATNAIK: SHRI AMAR ROY PRADHAN : Will the Minister of COMMERCE AND SUPPLY be pleased to state :

(a) whether some jute mills have fallen sick in the country ;

(b) if so, the number of such jute mills in different states; and

(c) the steps taken to revive those sick mills?

THE MINISTER OF FINANCE COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH): (a) to (c). Of late, with steep rise in raw material prices and due to other associated factors, some jute mills in the country have fallen sick and 15 jute mills in have closed down, excluding 3 permanently closed mills.

Government's role is primarily to monitor and coordinate measures aimed at revival of the sick units, coupled with assistance from the banking and financial institutions who are primarily responsible to take remedial measures, inclusive of financial, and managerial restructuring of the units in order to rejuvenate the industry.

The Government have been taking several steps, from time to time, to improve the viability of the jute industry, which include:-

- (i) Grant of increased CCS on export of jute goods;
- (ii) Involving STC in assisting exports of CBC to North American Markets by forming STC-Jute Industry Consortium on 50:50 loss sharing basis;
- (iii) Constituting a new Jute Manufacturers Development Council and a Jute Fund out of proceeds of jute cess to give boost to R&D efforts and export promotion;
- (iv) Purchase of jute goods by Govt. (DGS&D) from jute industry on cost plus basis;
- (v) Introduction of compulsory use of 100% new jute bags by cement industry;
- (vi) Persuading other user departments to use more jute bags instead of synthetic substitutes for packing of fertilizers;
- (vii) Free import of raw jute from Nepal through Jute Corporation of India;