

[English]

MR. CHAIRMAN : Please take your seats.

(Interruptions)

[Translation]

MR. CHAIRMAN : An hour? All right.

[English]

SHRI KINJARAPPU YERRANNAIDU : Sir, a separate Committee is not required for it.

MR. CHAIRMAN : Yes, you have already told this.

[Translation]

Export of Products by NMDC

*122. SHRI RAMESHWAR PATIDAR : Will the Minister of STEEL be pleased to state :

(a) whether National Mineral Development Corporation (NMDC) is exporting its products itself;

(b) if so, the details of products exported during each of the last three years alongwith their value thereof; and

(c) the efforts made by the Government to boost the export of these products?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA) : (a) to (c) A Statement is laid on the Table of the Lok Sabha.

Statement

(a) The National Mineral Development Corporation Limited (NMDC) exports iron ore through the Metals and Minerals Trading Corporation Limited (MMTC Ltd.), which has been designated as canalising agency for export of iron ore with iron content of and above 64% as per existing Export-Import Policy.

(b) Quantity and value of exports of NMDC during the last 3 years, as per latest available information, are as below :

Year	Quantity (In lakh tonnes)	Foreign Exchange Earning (Rs. in crores)
1994-95	66.72	408.47
1995-96	64.11	402.79
1996-97 (Prov.)	64.45	448.55

(c) Identification and development of new markets, revival of old markets, and efforts for better sales realisation are some of the steps being taken by MMTC Ltd. to increase export of iron ore.

[Translation]

SHRI RAMESHWAR PATIDAR : Mr. Chairman, Sir it is clear from the reply given by the hon. Minister in regard to the question pertaining to the National Mineral Development Corporation that export has declined in 1995-96 as compared to 1994-95 and it has also declined in 1996-97. Will the Minister be pleased to state as to why the export has declined? In part (b) of the question I have asked, as to which countries this export is being made and what are the steps being taken in this regard? Japan is importing iron ore from Australia instead of India. Specific reply has not been given to this question as to whether export has been increased to China or not? Will the hon. Minister be pleased to give specific reply to this question? He should also assign the reason as to why this mineral was sold at lower price as compared to the International market price?

[English]

SHRI BIRENDRA PRASAD BAISHYA : Sir, with regard to this question which the hon. Member has asked, it is very clear from my reply that during 1994-95, the total export made by the NMDC was 66.72 lakh tonnes and the foreign exchange earned was Rs. 408.47 crore. In the year 1996-97, NMDC's export was 64.45 lakh tonnes and the foreign exchange which we earned in the form of the Indian currency, was Rs. 448.55 crore.

I do agree with the hon. Member that the export made by the NMDC last year has declined. But I would submit that it was done in the interest of the country.

Sir, India has a rich quantity of iron ore reserves but the total reserves of high grade ores is less. India is producing 12,475 tonnes of iron ore has reserves of 12,745 million but the percentage of high grade iron ore is only ten per cent. So, in the year 1995, the Cabinet took a decision that NMDC will export only after fulfilling the domestic requirements. But the Cabinet imposed a ceiling on export of high grade iron ore. So, the export is declining. Although the export declining, profits are not declining. If you look at the picture, you will find that in the year 1994-95 NMDC earned Rs. 208 crore, in 1995-96, it earned Rs. 402 crore and in 1996-97 it earned Rs. 448.55 crore.

[Translation]

SHRI RAMESHWAR PATIDAR : Mr. Chairman, Sir, in Madhya Pradesh N.M.D.C. also undertakes the mining of Diamond besides Iron-ore. These days an advertisement is shown on T.V. saying 'k'iwab se jyada khoobsoort-khayal se kam dam'. In this advertisement, a handsome man puts a diamond ring into the fingure of a beautiful women. Debeears company is propogating it. How to use diamond in India for this purpose it is giving publicity among the consumers of our country Besides that company is making efforts for taking over 'Debia' mines in Madhya Pradesh. This is going on

since 1993-94, but sometimes it reaches understanding and sometimes not. Sometimes our Chief Minister says that deal has been finalized, sometimes says that deal has been cancelled. Sometimes new conditions are fixed.

SHRI LAKSHMAN SINGH : The Chief Minister has never said that deal has been finalized.

SHRI RAMESHWAR PATIDAR : Then new tenders are invited. The way things are going on in Madhya Pradesh, will the Union Government interfeering or by formulating such policy through N.M.D.C. or M.M.T.C. try to take over those mines itself or such type of foreign companies will continue to take away the natural resource of our country? Whether any effort is being made to give preference to domestic companies over foreign companies and whether N.M.D.C. or M.M.T.C. will also make efforts to take over this? Whether any effort is being made in this regard? Besides, the second part of my question is that Iron-ore is available in ample quantity in Beladella, efforts were being made to give that also to Nippon Denro Company, that has also not materialised till date, nor conditions are being finalized. This matter is lingering since 1993-94. Please tell whether the Union Government has its own opinion or propose to do something through N.M.D.C. on this issue.

[English]

SHRI BIRENDRA PRASAD BAISHYA : Sir, the hon. Member has put two very significant questions. Although his first question is not related to the main question, in the interest of the question and in the interest of the hon. Member, I would like to clarify the position.

[Translation]

SHRI RAMESHWAR PATIDAR : It will come in Part 'C'.

[English]

SHRI BIRENDRA PRASAD BAISHYA : Actually, as per the Mines and Minerals (Regulation and Development) Act, 1957, lease is given by the Statement Government for Schedule-I minerals but they have to take the approval of the Central Government. Diamond is a Schedule-I mineral; so, before handing over any lease to any company, they have to take the permission of the Central Government. The Government of Madhya Pradesh recommended three cases of diamond lease for the approval of the Central Government in the year 1994-95. After the United Front Government assumed power, Ministry of Mines adopted new guidelines for the prospecting licence and licence for aerial survey of and we have given wider areas. With reference to the new guidelines we have informed the Ministry of Mines... (Interruptions) Just a minute. Let me explain.

SHRI NITISH KUMAR : You are explaining the policy regarding prospecting licence and all those things. But whatever decision that you have taken is unpatriotic.

SHRI BIRENDRA PRASAD BAISHYA : Sir, in our country the economic reforms started during 1991. This was adopted by the Cabinet and Parliament. This was approved by Parliament. When a decision by Parliament, nobody can say that it is unpatriotic. This is not fair.

I would like to clarify the question put by the hon. Member. As far as diamond mine leasing is concerned, the Madhya Pradesh Government had recommended three cases. With reference to the new guidelines we have written to the State Governments and asked them to modify those proposals in response to the new guidelines given by the Central Government. Recently, the Madhya Pradesh Government had intimated the Central Government that they have cancelled all the three proposals that they have given to an Australian company and that they have decided to hand over it to Madhya Pradesh Mineral Development Corporation instead of giving it to an outsider. This is the information we got from the Madhya Pradesh Government.

The next point is regarding Bailadila. This is a very important case which is known to all of us here. I do agree with you that a joint venture company Nippon-Denro Ispat Ltd. is functioning in India. This is a very important matter and the Government would like to examine various aspects of it. Already two cases are pending in the Calcutta High Court. Another case is going on in the... (Interruptions)

MR. CHAIRMAN : The reply should also be brief.

(Interruptions)

MR. CHAIRMAN : Both the question and the reply should be brief.

SHRI BIRENDRA PRASAD BAISHYA : The hon. Member put a separate question on Bailadila and diamond mine. I have given a proper reply.

MR. CHAIRMAN : The supplementary question is not related to the main question. Why should you reply?

SHRI BIRENDRA PRASAD BAISHYA : We would like to go by the judicial verdict.

SHRI SONTOSH MOHAN DEV : Sir, I congratulate the the hon. Minister as he has replied all the question. While the profit is coming down when the quantity has been less. There was a proposal at one time that the nodal agency, the MMTC should be given up. MMTC is competitive enough to export. They are taking some commission in between. Well, the Government pursues it and does it because your profit is coming down. MMTC is making a margin out of you.

SHRI BIRENDRA PRASAD BAISHYA : I do agree with the hon. Member that MMTC is a canalising agency for export of product of NMDC. NMDC belongs to the Ministry of Steel while MMTC belongs to the Ministry of Commerce. The Ministry of Steel repeatedly urged the Ministry of Commerce to de-canalise this thing in favour of NMDC. But they have not taken a decesion. NMDC is making profit.

SHRI SONTOSH MOHAN DEV : While Shri P. Chidambaram was the Minister of Commerce, he agreed that they are making this good organisation a sick one.

MR. CHAIRMAN : There are so many agreements.

SHRI BIRENDRA PRASAD BAISHYA : I do not know that. I do not know what Shri Chidambaram's has assured the hon. Member. But I may assure the hon. Member that the Ministry of Steel would try its best to get it.

[Translation]

SHRI SUNDER LAL PATWA : Mr. Chairman, Sir, there are two proposals pro and anti to future of Madhya Pradesh - one is diamond mine of Devbhog and the other is 11-B Iron ore mine of Beladella. Both are being treated lightly. The matter of giving Iron-ore mine 11-B to Nippon Denro is being considered and about which you have mentioned that it is going on in the court. Procedure is this: first the State Government prepares a proposal and submit for the approval of Union Government. The proposal of Union Government in regard to 11-B sellout to Nippon-Denro is ready. The proposal of central steel and mines Deptt. and the direction in this regard given to State Government for clearing it has been sent, it means clearance has already been given, only formalities are being completed. 11-B is the best quality Iron ore in the world and it is a valuable asset of the coming generations of Madhya Pradesh. Whether the hon'ble Minister be pleased to assure the House that this 11-B mines will be utilized fully in the country by preparing the finished products and ownership of this mines will not be given to anybody and nor it will be sold?

Sir, my second question is the old proposals of Devheera mines have been cancelled.

[English]

MR. CHAIRMAN : Shri Patwa, you can put only one supplementary question please.

[Translation]

SHRI PRAMOD MAHAJAN : Otherwise, there is not much difference between Iron and diamond.

SHRI SUNDER LAL PATWA : I have only one supplementary and that is related to Madhya Pradesh. Diamond mines and Iron ore mines are two parts. Although about Diamond...*(Interruptions)*

MR. CHAIRMAN : This question is not related to Diamond, it is related to Iron-ore.

SHRI SUNDER LAL PATWA : It is related to this Ministry. Madhya Pradesh Government is taking lightly the issue of Diamond mines. You were mentioning about DBS, who has more than 80 percent monopoly over the diamond mining in the world. The mines of Madhya Pradesh should not go into hands of this company and the N.M.D.C. or M.M.T.C. or some domestic industry of

the country, public or private sector should be given the ownership of this mine and it should not be sold to anybody else. Will you please assure the House in this regard?

[English]

SHRI BIRENDRA PRASAD BAISHYA : Regarding Biladila 11-B mine, I have already responded to the questions of the hon. Members which are right now before the House.

[Translation]

SHRI SUNDER LAL PATWA : Whether you know about the procedure being followed?

[English]

SHRI BIRENDRA PRASAD BAISHYA : Sir, I am giving a proper reply.

MR. CHAIRMAN : Let him reply please.

SHRI BIRENDRA PRASAD BAISHYA : Sir, in the year 1995, a joint venture company was formed. NMDC formed a joint venture company with Nippon Denro Ispat Ltd.

SHRI SUNDER LAL PATWA : Mr. Minister, who is the major shareholder?

MR. CHAIRMAN : Let him answer.

SHRI BIRENDRA PRASAD BAISHYA : Please allow me to finish.

[Translation]

MR. CHAIRMAN : Let him reply.

[English]

SHRI BIRENDRA PRASAD BAISHYA : Sir, I have very categorically said that. I am giving a proper reply. Please listen to me.

This decision was taken in the year 1995. I categorically said that this is a very very important matter. Biladila 11-b mine is the richest iron mine in the world. So, the Government would like to examine it. Before taking a final decision, the Government would like to examine various aspects. Already two cases are going on — one is before the Calcutta High Court and the other is before the Delhi High Court. Before taking a final decision, we would like to wait for the judicial verdict. This is about Bailadila, Sir.

The hon. Member, who is the former Chief Minister of Madhya Pradesh, has rightly put a very important question about diamond mines. I would like to repeat it again that the list of mines is given by the State Government and not by the Central Government. For the scheduled minerals, it is necessary to get the approval of the Central Government. Recently, Government of Madhya Pradesh has intimated us about

all the previous proposals. They have sent all the previous proposals to the Ministry of Mines for approval of the lease of diamond mines in favour of some companies including a foreign company but they have cancelled it now. They are going to take the initiative and they would like to give it in favour of the Madhya Pradesh Mineral Development Corporation. But we have not got a formal proposal from the Government of Madhya Pradesh as yet...*(Interruptions)*

MR. CHAIRMAN : We have spent twenty minutes on this Question.

[Translation]

SHRI SUNDER LAL PATWA : Mr. Chairman, Sir, I have one request that will you permit to have discussion on such an important matter...*(Interruptions)*

[English]

MR. CHAIRMAN : Ok. Half-an-hour discussion will be allowed.

SHRI NIRMAL KANTI CHATTERJEE : Sir, let us break the record of the last Session. In the last Session, only fourteen half-an-hour discussions were sanctioned and none of them could be taken up. This time, let us have 20 half-an-hour discussions!...*(Interruptions)*

SHRI TARIT BARAN TOPDAR : Sir, please allow a Half-an-Hour discussion on this subject ...*(Interruptions)*

PROF. P.J. KURIEN : Why do you think only of exports? Sir, please allow me also to speak.

MR. CHAIRMAN : No.

A.D.B. Loan for Financing the SEBs

123. SHRI SULTAN SALAHUDDIN OWAISI :

SHRI BHAKTA CHARAN DAS :

Will the Minister of POWER be pleased to state :

(a) whether the Power Finance Corporation have sought loan from Asian Development Bank to finance the State Electricity Boards (SEBs);

(b) if so, the details thereof alongwith the names of the SEBs likely to be financed;

(c) whether his Ministry has urged the Finance Ministry to refer the proposal to the ADB at the earliest; and

(d) if so, the response of the Finance Ministry thereto?

THE MINISTER OF STATE OF THE MINISTRY OF SCIENCE AND TECHNOLOGY AND MINISTER OF STATE OF THE MINISTRY OF POWER (SHRI YOGINDER K. ALAGH) : (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) to (d) Power Finance Corporation (PFC) had made a loan proposal for US\$ 500 Million to ADB. The proposal has been considered by ADB on the recommendations of the Ministry of Power and the Ministry of Finance. ADB has tentatively proposed a Technical Assistance Grant of US\$ 1 Million in 1998 to enable PFC and the client States to conduct studies for reforms and restructuring and US\$ 250 Million loan in 1999 to support the reforms in State Utilities not selected for direct funding by ADB and the World Bank. PFC has been having discussions with the States of Assam, Tamil Nadu, Meghalaya, H.P., Kerala, Punjab and West Bengal.

[Translation]

SHRI SULTAN SALAHUDDIN OWAISI : Sir, Electricity Boards in the entire country are running into losses. Now the Government is taking loan from the Asian Bank. Does the Government have any scheme under which the money being received as loan could be repaid? How would it be repaid?

SHRI YOGINDER K. ALAGH : The objective of getting these loans is to improve the technology and the production capacity of the State Electricity Boards. The loans should be provided for transmission system and metering purposes...*(Interruptions)*

SHRI SULTAN SALAHUDDIN OWAISI : Does the Government have any scheme under which electricity boards which are running into losses, would function smoothly after granting loan to them and these would be able to repay the loan? How the loan would be repaid?

[English]

MR. CHAIRMAN : How can the loan be refunded?

[Translation]

SHRI YOGINDER K. ALAGH : I would request the hon. Member to listen to me. The Electricity Boards can improve their financial condition only when they bring about improvement in generation, install transmission system, go for metering and chalk out schemes for the present and future. In this way, they can earn profit. It has been revealed in a study report that if the plant load factor of each Electricity Board is increased by three percent, they would become profitable since they would be able to generate more power. Their cost of production per unit would become less and their overheads would be distributed more on production. Thus they would be able to refund their loan with their increased capacity.

SHRI SULTAN SALAHUDDIN OWAISI : Mr. Chairman, Sir, the issue of generating electricity by