

(a) whether the Union Government and the Government of Russia have taken any decision to start IISCO as joint venture;

(b) if so, whether the Russian Government has requested the Union Government to write-off the entire accumulated losses of IISCO;

(c) if so, the details thereof and the reaction of the Union Government thereto;

(d) if not, whether the Government propose to modernise/revive IISCO;

(e) if so, the details thereof;

(f) whether the Government of West Bengal has sent any proposals for its modernisation; and

(g) if so, the details thereof and the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) to (e) IISCO is a sick company and has been under reference to BIFR since June, 1994 for determination of measures in regard to the future of the company. Several modernisation proposals were formulated in the past but none of them could fructify mainly due to funds constraints. SAIL have submitted a proposal to revive IISCO in a Joint Venture (JV) partnership with M/s. Tyazhprom Export (TPE) of Russia. This proposal is dependent on the use of Rupee Debt Funds for which an Inter Governmental Agreement between the Government of Russia and Government of India is required. The project envisages an investment of Rs. 2107 crores. Govt. of India's efforts in this direction culminated in the signing of a Protocol in the Fifth Session of Indo-Russian Inter Governmental Commission in November, 1998. In the Protocol, it has been proposed to use a part of India Rupee Debts as contribution of the Russian side to the Joint Venture Company.

Accordingly, Govt. of India have already formally presented to the Russian side the draft of an agreement which could be signed between the two countries. The response of the Russian govt. is awaited. However, any scheme to be taken up for modernisation will have to be in accordance with the orders of the BIFR in this regard.

(f) No, Sir.

(g) Does not arise.

[*Translation*]

Hike in the Prices of Tea

750. SHRI PRABHASH CHANDRA TIWARI: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government are aware of increasing rates of tea in spite of record tea production in the country;

(b) if so, the details of production of tea during each of the last three years;

(c) the reasons for rise in the prices of tea; and

(d) the steps taken by the Government to prevent the increase in the prices of tea?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) to (c) After an initial rise of prices during mid 1997 which reached a peak of Rs. 91.80 per kg. in Jan. 1998, the average price at all India auctions has come down to Rs. 67.57 per kg in Jan., 1999. Rise in the prices of Tea has been due to higher domestic and export demand for Indian Tea.

The production of tea during each of the last three years are given below:

(Figures: M. Kgs.)

Year	Production
1996	780.23
1997	810.61
1998	870.40 (Estimated)

(d) In order to check the rise in prices of tea the Government has taken various steps which include (i) directive of the Tea Board to the producers for strict compliance with the provisions of Tea Marketing (Control) Order, 1984 (ii) relaxation of Policy regarding sale in the domestic tariff are (DTA) by Export Oriented Units and Units in Free Trade Zones for a period of 6 months i.e. upto June, 1998 (iii) supply of Nivedan Tea to the consumers at cheaper prices etc.