

a statement, he should not hold the House to ransom.

[Translation]

THE MINISTER OF HOME AFFAIRS (SHRI MUFTI MOHAMMAD SAYEED): It is a matter of great regret that from last Friday—Shri Soz may be aware of it....

PROF. SAIF-UD-DIN SOZ: Why were you so intransigent?

SHRI MUFTI MOHAMMAD SAYEED: In connection with the incidents that took place in all the localities of Srinagar last Friday, in connection with the murder of the Vice-Chancellor and Shri H.L. Khera, the security forces had to conduct some searches and therefore curfew is in force from last Friday till this day. I had told the Governor earlier itself that this creates difficulties for the people and some relaxation should be given in the curfew.

[English]

MR. DEPUTY-SPEAKER: You have taken note and I think proper action will be taken.

12.48 hrs.

CALLING ATTENTION TO MATTER OF  
URGENT PUBLIC IMPORTANCE .

**Major Fire accident in the Angul plant  
of National Aluminium Co. Ltd., Orissa**

[English]

SHRI BHABANI SHANKAR HOTA (Sambalpur): I call the attention of the Minister of Steel and Mines to the following matter of urgent public importance and request that he may make a statement thereon:—

"Major fire accident in the Angul plant of National Aluminium Company Ltd.,

Orissa resulting in substantial losses and the steps taken by the Government in that regard."

THE MINISTER OF STEEL AND MINES AND MINISTER OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): Sir, I share the concern of the honourable Members regarding the major fire accident which occurred at 1045 hours on 24.3.1990, involving the main conveyor carrying crushed coal to the bunkers of the Captive Power Plant (CPP) of the National Aluminium Company (NALCO) at Angul in Orissa. The two parallel conveyors designed to carry crushed coal from the crusher house to the top of the power plant have been damaged substantially. The Fire Brigade was immediately pressed into action and the fire was put out at about 0340 hours on 25.3.1990.

2. NALCO's smelter at Angul consists of two pot-lines, each having 240 pots. Prior to the accident, NALCO had commissioned 240 pots in Pot-line I and 99 pots in Pot-line II. As a result of this fire, supply of coal to the boilers of the Captive Power Plant was disrupted. This substantially affected the operation of the power plant and reduced the power generation. In turn, all the 240 pots of Pot-line I had to be shut down for want of power. This was done in a technically satisfactory manner without causing any damage to the pots.

3. Secretary, Department of Mines visited the site on 28th of March, 1990 for an on-the-spot assessment of the situation. He had discussions with all agencies concerned including State Government officials, NALCO authorities and the Suppliers with a view to ensuring coordinated efforts in repairing and recommissioning the plant with utmost expedition.

4. Efforts are being made to supply power to the extent possible, in order to keep the remaining pots in operation. Orissa State Electricity Board (OSEB) and Central Electricity Authority (CEA) have been contacted and arrangements made for supplying emergency power to NALCO's smelter. As a

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result of these efforts 50 MW of power has been arranged to be supplied through the OSEB grid. Thus at present, the availability of power from the CPP and from the OSEB is just sufficient to keep 98 pots of Pot-line II in operation. The continuance of operation of these pots would depend, to a great extent, on sustained availability of power from the OSEB. Two units of the Captive Power Plant are still being run at reduced capacity with coal in small quantities being supplied by lifting it by other mechanical means. Furnace oil in the boilers to the extent possible is also being used.

5. NALCO has set up a high-level Committee to enquire into the causes of the fire and to ascertain the financial loss caused to the company. Repairs of the conveyor system have been undertaken on a war footing and NALCO is making every effort to re-commission the conveyor system in the shortest possible time. It is expected that the conveyor system would be put back in operation before the end of June 1990. Thereafter the Pots in the smelter would be progressively recommissioned. The progress of the work in this connection is being constantly reviewed at the Government level in the Department of Mines and assistance being extended to NALCO, wherever required, to ensure that there is no delay in completing the repairs and recommissioning of the plants.

6. The Committee has not yet completed its enquiry and it is expected that they would be in a position to give their findings by the end of April, 1990. However, based on preliminary reports, it appears that the fire was caused because of welding which was taking place above the conveyor belt.

7. The matter had also been reported to the local authorities and the police have registered a criminal case which is under investigation.

8. It has been estimated that the cost of restoration of the coal conveyor system would be about Rs. 1.5 crores. The extent of loss to

NALCO on this account can be computed after settlement of insurance claims lodged by the Company. The production loss and the total loss would be ascertained only after the report of the Committee is made available and the Captive Power Plant's conveyor system is put back in stable operation and progress made in restarting the pots. Tentatively, it is estimated that the loss of production of aluminium metal may be in the region of 40,000 tonnes. This will be partially off set by the increased availability of alumina for exports. The loss in turn over is likely to be of the order of Rs. 100 crores.

SHRI BHABANI SHANKAR HOTA: Sir, many questions have arisen in the minds of the general public in Orissa and in particular in the plant area as also in the Press and those questions remain unanswered. First, the answer given by the hon. Minister says that some welding work was undertaken. But the time of the work has not been indicated. In the first para of his reply, the time of the accident has been mentioned as 1045 hours. This means that the whole fire devastation continued for more than 16 hours. I would like to pose a pointed question to the hon. Minister. How and why it took 16 hours for the Fire Brigade to control the fire? Why did it take such a long time to control the fire?

Then, there is one specific report. Is it true? It has already been corroborated by the hon. Minister that the welding work was undertaken at about 7 p.m. in the evening in the Plant itself. Probably, after the fire has been caused, I think the preliminary report has been received by the Minister. But there is another very strong theory. There are reasonable evidences to that effect. Also, the highest official of the NALCO Plant told the Press at Orissa—it has been reported by various newspapers in Orissa—that in the Chut House and below the conveyor belt large amount of coal dust powder was allowed to be deposited for several days. As per the legal stipulation and the practice, this coal dust should have been cleaned every-day. But it was not cleaned and the place was not cleaned. I think there was excessive heat. The system is that when the heat will

exceed 80°C, then there is the automatic computerised water sprinkling system to control the heat. But on that fateful night the cooling system was not working. Why was it not working properly? Who is responsible for this accident? What action does the hon. Minister want to take against those officers or other persons who are responsible for this accident? What action the hon. Minister is going to take against the officers for the dereliction in their duty? I want to know the details in this regard. And secondly, it is also said by a very responsible officer of NALCO and I have a press clipping with me, that at that particular time when the accident occurred, the conveyor belt was not in operation due to change in shift. If it is a fact, then who allowed the welding to be undertaken? I would like to know whether it was in the morning or in the evening. What urgency was there to allow welding to be undertaken at the conveyor belt and whether it was in the night or in the morning? This has not been clarified.

Then there are two other reports. It is very significant as far as people of Orissa are concerned because on 6th March, reportedly, Section 144 was promulgated around the CPP at the plant because there was some demonstration by the local population due to various other reasons. I do not know the reasons. Noone was allowed to proceed near the site of the plant on 6th March. When a pointed question was raised in the press insinuating the hands of the local disgruntled population, an allegation was made that among the local population those who were disgruntled or dissatisfied might have sabotaged the operation of the CPP and the accident might have been caused by them. But since Section 144 was promulgated, noone was allowed to enter the CPP at the plant. This theory should be ruled out. Second theory that was propounded was that there was certain international conspiracy as barely a few hours before the accident, the Managing Director and the Chairman of the company told in a press conference at Bhubneshwar that it was one of the five giant aluminium companies in the world both in

terms of production unit and also as the exporter and if not equivalent, at least, it is on par with big companies like Alcoa, Billiton, Pechiney, Reynolds, Alcan, Comalco and Kaiser. The plant has incorporated the state-of-art-technology from A.P. France which is as per the terms of the contract of transfer. It is the most advanced technology of the NALCO. With such advance technology and background, one cannot comprehend as to how a fire could break out in the night and burning of the conveyor belts continuously for hours. This is not for the first time that there is some mishap in the plant. Last year, a Roter Turbines did not function resulting in a loss of about Rs. 20 crores due to stoppage of work in the III Unit of CPP. Noone can understand, why these things are repeatedly happening. Perhaps, there is some lacuna in the administration or there is some technical fault or any design fault or any fault in maintenance and repair which is not being undertaken regularly. I hope, the Minister will kindly clarify all these points.

He has already mentioned just now that on preliminary reports, it has been ascertained that due to welding, the accident has occurred. But the emphasis of argument that is in favour of coal deposits, that is, under the conveyor belt, is that the 'Chut House' got on fire due to excessive heat and anyone who is squarely responsible for this. And what action does the Government want to take against whom the FIR has been filed? And what are the terms of reference of the high-powered committee that has been instituted to enquire into the matter? I would like to know whether that has enquired all the aspects of it. I would like to know whether Section 144 has been promulgated there, if so, what for? And I would also like to know whether it is a fact that out of the total displaced persons, that is, more than 5000 persons, hardly 28 persons have been employed from the area, if so, what for? I would like to know whether the Government is doing anything to give justice to those who have been uprooted due to coming up of the plant.

13.00 hrs.

**SHRI BHAGEY GOBARDHAN** (Mayurbhanj): Mr. Deputy Speaker, at the outset I may point out that though my name is Bhagey Gobardhan, here in the statement the hon. Minister has wrongly addressed me; I am sorry. This thing has been happening many a time and that is why I have pointed it out.

Since the Minister has given the statement here in the House, I am not going to question the timings mentioned in it. But one point which appears is that the fire had been raging for more than 15 hours or so. According to some of the papers, particularly the Economic Times has reported that the fire took place when there was changing of the shift. Here the timing given is 10.45 hours. I would hardly believe that 10.45 hours would be the changing time of the shift. The Minister may kindly clarify this point.

Since my friend Mr. Hota has already covered most of the points, I am not going to go over them. But there are certain discrepancies in the statement of the Minister which I would like to point out. It is not indicated in his report as to what is the total installed capacity of the captive power units inside NALCO. He has only stated that 50 MW of power has been arranged either from the Central Electricity Authority or from the Orissa State Electricity Board. But you know, Orissa itself has been suffering from acute power shortage and as I understand, NALCO has an installed capacity of 600 MW. So how would this 50 MW power which is being imported either from the Central Electricity Authority or from the Orissa State Electricity Board be in a position to run a factory of this magnitude? What I mean to say is that the information given here is not correct. The hon. Minister has tried to hide more points than he has tried to tell the House. That is why I would like to say the hon. Minister should have been more truthful.

One very pertinent point which is missing from the statement is that in a factory which is certainly governed by the Factories

Act, whenever any accident occurs, there is a statutory mechanism of reporting the occurrence to the Directorate of Factory Inspection and the Inspector of Factories. The Director or Inspector of Factories of the local Government must have visited the site of the accident on the very day or the next day. But nothing has been stated about the report of the Inspector or the Director of the Factories, as the case may be. This is a very big lacuna in the report itself.

Again they have stated that a criminal case has been lodged; I mean FIR has been registered with the local police. Do they suspect that there is some kind of a sabotage? If there was some kind of a sabotage, then it would have been better that the names of suspects or at least the brief summary of the FIR should have been mentioned in this report. Why I am saying this is because one of the points which my friend Mr. Hota pointed out shows that there has certainly been dereliction of duty on the part of the people managing this conveyor belt system. In a factory which has got sophisticated mechanism, if the routine observance is not adhered to, there is every possibility of some such accident occurring. As Mr. Hota stated, there was in the Chute House collection of the coal powder. That is why when welding was done above the conveyor belt some sparks must have come down and it (coal powder) must have caught fire and that must have resulted in the damage which has put out of commission the conveyor belt system for almost 15 hours.

Sir, the hon. Minister has tried to escape by stating that the loss would be only to the tune of forty thousand tonnes of Aluminium and that loss would be off-set by the export promotion of the Alumina. I am not going to give any credit for such type of statement. The capacity of this Aluminium Plant is more than two lakh tonnes per year. I believe, it is 2,18,000 tonnes per year. So, if within three months the loss is forty thousand tonnes, then over the period of one year, there could not be a production of more than four times of forty thousands tonnes. That is why I am saying this. The report is not at all satisfac-

tory It suffers from so many flaws Therefore, instead of taking more time, I would like to say that the Minister may kindly indicate the terms of reference of the Committee which has been appointed and which is supposed to give its report by the end of this month Secondly, the report of the Inspectorate of Factories of the local Government, that is, the Government of Orissa should also be given Thirdly, other information should be given regarding the total power capacity, what is the present availability of power and what is the order of production right now Without all this information, to give such a cursory or such a preliminary report to the House is not at all to be appreciated

[Translation]

SHRI BHAKTA CHARAN DAS  
(Kalahandi) Mr Deputy Speaker Sir The Hon Minister has said in his reply that the conveyor belt was burnt due to welding

[English]

I would like to know from the hon Minister as to whether the engineers and the Director concerned were present during the welding period or not and whether they have observed any practical possibility of danger to the conveyor belt or CPP

The NALCO Plant is situated in Angul This Captive Power Plant came into being because of the shortage of power for the production of Aluminium The cost of this Captive Power Plant was Rs 100 crores and that of the conveyor belt, which is damaged now, is Rs 5 crores The CPP was producing 600 MW electricity The surplus electricity was being supplied to the OSEB Orissa, by the CPP of NALCO Plant

At present what is happening is that the NALCO Plant is depending on the OSEB for electricity They are now taking 50 MW electricity from OSEB As a result of the shortage of electricity, the people of Orissa and the farmers of Orissa, mainly in the rural areas are suffering a lot, since they have to operate their lift-irrigation points and motor points

Throughout Orissa because of the shortage of electricity, lot of problems have arisen I would like to know specifically from the hon Minister—because in his statement, he has said that the local police had instituted a criminal case—as to whether the responsible top officials, engineers, Directors or Chairman and Managing Director, will be interrogated by the police or not If necessary, would they be arrested or not? This plant was commissioned in 1983 Since then, Mr Panthulu has been functioning as its chairman and managing director Under his banner almost all the officials of NALCO project at Angul are doing miracles as a result of which we have incurred heavy losses during the past year During 1988-89, while the turnover of NALCO was Rs 900 crore, the profit was only Rs 10 crore Mr Panthulu has become over-aged but is still continuing in service there My information is that due to his negligence and that of the management, this fire took place The local people are revolting like anything Therefore, I would specifically like to know whether those officials would be interrogated by the police or not

The Minister mentioned that a committee has been appointed My information is that directors of NALCO are also represented on that committee as its members They are responsible for this accident The responsibility should be fixed on those people My fear is that they would never give a proper report They will give a superfluous report The Minister admitted that there will be a loss of Rs 100 crore Starting from 24th of March, every day there is a loss of Rs 1 crore I have gathered information through a telephonic message from Bhubaneswar that the loss will be more than Rs 150 crore

Leave aside the profit part All the people in Orissa will suffer due to lack of electricity I would like to know from the Minister whether he will be giving special importance to this or not If he is going to do so, then, will it be possible to replace the main conveyer belt having 240 pots within a month or not? Will the captive power plant be operated in a month's time? Will there be a judicial inquiry

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or an inquiry by a parliamentary committee of the House. I would like to have a reply to all these questions from the hon. Minister. It is a very serious matter losing hundreds of crores in the public sector and causing inconvenience to the people of Orissa.

**SHRIDINESH GOSWAMI:** Mr. Deputy Speaker, Sir, I am thankful to all the Members who have raised this issue and participated in this debate.

**SHRI VAMANRAO MAHADIK** (Bombay South Central): Rose.

**MR. DEPUTY-SPEAKER:** This is calling attention motion.

[*Translation*]

In this, your name is not in the Record. We cannot do such a thing under the rules. If I could do it, I would have given time to you. This Calling Attention is about Orissa and the discussion on that is going on. Perhaps, you have taken it as something else.

[*English*]

**SHRI DINESH GOSWAMI:** I do appreciate the anxiety and the agitated trend of the minds of the Members because NALCO has been one of our prestigious public sector undertakings. It made a profit of about Rs. 120.95 crores last year and the figure given by the hon. Members was not correct. In 1989-90, it had a turnover of Rs. 871 crores. We are proud of the performance and there has undoubtedly been a setback because of the serious accident. We have taken this accident extremely seriously and are trying to go to the root causes of this accident.

I must at the same time correct the information which has been wrongly conveyed to the hon. Members. Maybe because of oversight. It is not that the fire started at 10.45 a.m., the fire started at 10.45 p.m. and it was brought under control at 3.40 a.m., and therefore, the time taken to bring the fire

under control was about five hours. You will appreciate that when you have fire on highly volatile materials, obviously it takes time to bring the fire under control and it cannot be said that five hours was too long a period to bring the fire under control.

Some of the hon. Members have asked this question as to whether the theory of sabotage has any basis. It is true that when such fires occur, a number of theories do come up, and one of the theories was that there was a possibility of sabotage. There was some talk about sabotage because in NALCO undertaking, there has been trouble for a long time in the past. But this is a matter on which I will not make a final opinion, because the matter is now under investigation by the police as well as by the Committee that we have set up. But this is a general investigation by the police. They have registered cases under three Sections. Section 285 IPC, negligent conduct with respect to fire and combustible material, Section 287 IPC, negligent conduct in respect of machinery and Section 435 IPC, mischief by fire or explosive substance with intent to cause damage to the property. But unless a full report of the investigation is made available, it is difficult either to accept the possibility or any cause or to reject the possibility of any cause. But I must also be fair to the House and point out that we have some information from the State Government. The tentative indication is that there are no reasons to suspect the possibility of mischief. But this is not a final conclusion of the investigating agency, but a tentative conclusion which has been drawn up by the investigating agency.

The preliminary report of the Committee that has been set up to go into all aspects of this fire accident seems to have indicated that there was some unauthorised welding. There was welding and the authorisation that was necessary to carry on the welding was not there. This Committee is at its job and it will take some time more to conclude its deliberations and we will be waiting for its conclusions. It is also not true that it is a completely departmental Committee as such, because in this four-member Committee, we

have included one member who is not a member of NALCO, but he is ex-Chairman of OSAB. But we can assure the House that after we get the Committee's report, if I feel satisfied that this requires a different kind of an enquiry, completely manned by outside men who are not officials of NALCO, I have will have no hesitation in ordering such an enquiry. But at this stage, I feel that the Committee which was set up is doing good work. I think, I would rather wait for the Committee's recommendations to come which I expect to come within a short time.

So far as this power plant is concerned, it has the capacity of five units of 120 megawatts and three units were in operation. But I do appreciate that because of this accident now, the power position in the plant has been very critical. Not only it will affect the power plant but it may also affect the Orissa's power position because we shall have to draw for some time, additional power, from OSEB. Now, the total requirement of power that we were drawing up till now was 280 M.W. and about 330-340 M.W. in totality. But at the present moment, we are getting about 45 M.W. from Orissa State Electricity Board. We have self-generation of about 45 M.W. In total, out of the requirement of 330-340 M.W., we have only 90 M.W. Obviously, it will affect the functioning of this plant very adversely. Still, we do hope that we will be able to contain the losses, both in terms of production and in terms of finance, because we want to make it operational at the earliest. But, I don't want to make any commitment and I cannot give this impression to the hon. Members who have asked me as to whether I can make it operational within a month or so, because it is not possible. I believe that in the realistic terms, we may have to wait till the month of June to make it operational.

Now, figures do indicate that in 1991, we are expecting a production of 1,80,000 tonnes as against 1,35,000 tonnes last year. We have to scale down about 40,000 tonnes due to the accident. But in terms of financial impact on the company, it will take some time for us to evaluate because the other aspect will be that some of the Alumina will

not be converted into Aluminium and additional quantity of Alumina will be available for export and that will to some extent off-set the financial losses of this undertaking.

My friends have asked about the displaced persons. There was an undertaking with the State Government that so far as the displaced persons who are totally displaced are concerned, they will be absorbed in the Undertaking. Now, in the Angul Plant, the displaced persons who lost their house and their total land, there are about 28 families and all the 28 families have been absorbed. So far as substantially affected persons and least affected persons are concerned, i.e. those who have lost more than one-third or more of land and those who have lost less than one-third of land, it has not been possible for us to absorb all of them because the number is too large. The number of substantially affected families as on 31.3.90 is about 1368 and it has been possible for the Undertaking to absorb about 474 families. Out of 4275 least affected families—i.e. those who have lost less than one-third of their land—260 families have been absorbed. But I must point out that we have paid compensation to all the families. I hope the hon. Members will appreciate that though it is a Public Undertaking and though our effort is to try to absorb as much of the manpower as possible, yet for the Undertaking to run economically it can absorb persons up to a particular capacity and not beyond that. Therefore, we have absorbed whatever is possible. I know because of the failure to absorb the members of the local families, there are a lot of discontentment but we have no way to remove this discontentment because it is not possible for this Undertaking to absorb more people than we have absorbed.

SHRI DASAI CHOWDHURY (Rosera):  
Then this problem will continue.

SHRI DINESH GOSWAMI: I can't help it. Public Undertakings cannot absorb thousands of families. That is a fact of life. Even if it comes to Government, the Government may also not be able to absorb them. Public Undertakings have also to run economically.

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Its manpower must have some relationship with the total production.

SHRI BHAKTA CHARAN DAS: Do you mean to say, at the cost of the poor people?

SHRI DINESH GOSWAMI: I don't want to enter into a running debate but the undertaking that we had with the State Government is that we will absorb all the families who have lost all of their land. We have fulfilled that obligation. So far as substantially affected and the least affected persons are concerned, we have tried to accommodate as many as possible. We will continue to try but after all it is not possible to accommodate thousands of families. But apart from that, compensation has been paid to these families and in the project, whenever there is a need, we have tried to keep local people into service. I will be fair to the House because I don't want to give promises which I cannot carry. I will only state the facts.

I think, I have substantially answered the points raised by hon. Members. I will conclude by saying that I am deeply concerned with this accident because it has affected one of our prestigious Public Undertakings. I will go to roots as to the why the accident has happened and I can assure that if during the investigation it is found that any of the officer or anybody is guilty, we will not hesitate to take the strongest of steps against them.

SHRI DASAI CHOWDHURY: But who is inquiring into it?

SHRI DINESH GOSWAMI: I have already said, there are two inquiries going on. One is investigation by the police. In this investigation I expect that they will take into account all aspects and try to pin down the criminal responsibility on any person. So far as the other is concerned, it is a Committee in which there are four persons; three per-

sons are of course from NALCO and one is from outside. I have assured the House also that they have given an Interim Report and in that report they have said that, there was some welding work without authorisation, as it was required. Therefore, I am waiting for their final report. I assure the House that after the final report is received, if I feel that an independent inquiry is needed in which people from outside should be taken, I will not hesitate to do so. But let me wait for the Final Report. Because this Committee had gone into the matter. Let them complete it. After the Report is made available to us—there are hopes that it will be made available to us within the shortest possible time—and if I feel after that, that it should be done by the people outside the organisation, then I will not hesitate to order an inquiry and I will not shield anybody. At any time—from this Report—if it do appear that some actions need to be taken against some persons—we will not hesitate to take action against such persons.

I hope, I will have the co-operation of the Members, particularly, the Members who are representing that area or the State, so that we can improve the position.

So far as we are concerned, I will be interacting with them from time to time and try to report back to them the decisions regarding the inquiry and also to make this undertaking operational on full capacity as early as possible.

AN HON. MEMBER: Just a minute. I will not make any point. I will just inform the hon. Minister....

MR. DEPUTY-SPEAKER: It is not allowed. Please meet him in his chamber.

SHRI DINESH GOSWAMI: You can meet me. You can come to me.

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