

12.00 hrs.

PRIVATISATION OF BAILADILA IRON ORE MINES

[English]

SHRI ARJUN SINGH (Satna) : Hon. Speaker, Sir I am indeed very grateful to you for having given me permission to raise this very important matter which is engaging public attention for many months now which concerns the Bailadila Iron Ore Mines situated in my home State.

Sir, I will not take much of the time here in detailing all the facts which are quite well-known by now. But in passing reference, I would like to say that it is now an established fact that the Government of India has decided to enter into a joint venture agreement.

SHRI INDRAJIT GUPTA (Midnapore) : They have already signed the agreement.

SHRI ARJUN SINGH : They have signed the agreement and to the best of my information available, they have received consideration from the joint sector company for making the contract.

SHRI SAIFUDDIN CHOUDHURY (Katwa) : What kind of consideration?

SHRI ARJUN SINGH : According to my information, out of Rs. 16 crore, they have received about Rs. 7 crore. This was stipulated in the decision that was taken.

SHRI JASWANT SINGH (Chittorgarh) : Who has received this consideration?

SHRI ARJUN SINGH : The Government of India, I mean, NMDC.

SHRI SAIFUDDIN CHOUDHURY : Is it a proper consideration?

SHRI ARJUN SINGH : Well, I am coming to that.

SHRI SHARAD DIGHE (Bombay North Central) : It is a contractual consideration.

SHRI ANIL BASU (Arambagh) : Arjun Singhji, is there any hidden consideration?

SHRI ARJUN SINGH : You are asking the wrong person.

Sir, this whole matter has been dealt with at two levels and I would like to draw your attention and, through you, that of the Government to this. One is at the level of the Government of India – NMDC – where this decision to enter into a joint sector venture was taken. This decision was taken in June 1995. It is on record through a letter of the Ministry of Steel of the NMDC dated 24.5.1994 that such an agreement has to be entered into. It is not by way of suggestion, it is more or less a directive. I will not take the time of the House in reading this letter because it is a matter of record and I do not think that the hon. Minister will dispute this fact.

But it gives an indication that the Government had made up its mind or at least the Minister of Steel had made up his mind way back in 1994 to deal with these mines in a certain manner. At that time, in that letter there was no mention of any specific Group or Company with which this deal had to be entered into. Then we have the information that on 28th February, 1995 there was request for guidance from the Minister of Steel to the hon. Prime Minister in the matter because the Ministry of Finance and even the NMDC was opposed to this. So, naturally guidance was needed from the highest quarter. There is nothing on record to show what precisely was the guidance received by the Minister of Steel. I do not know and cannot speculate. But the end-result shows that at least there was no guidance to the contrary from the Prime Minister. Had there been any guidance to the contrary, this whole thing would not have been finalised in the manner it has been done. Whether that guidance was by an imperceptible nod or an inscrutable smile or Sphinx-like silence certainly cannot be recorded on any file. But the fact is that many hon. Members of Parliament in this House and the other House kept on meeting the Prime Minister. My esteemed senior colleague here Shri Indrajit Gupta was also one of them.

SHRI SAIFUDDIN CHOUDHURY : I was also one of them.

SHRI ARJUN SINGH : You were also one of them. They kept on giving in writing that this is what we are hearing and we want to know what is happening. There were even replies from the Prime Minister to them acknowledging the letters. But at no point of time was any indication given as to what actually is happening. Maybe, as we have seen in the past, the PMO kept the hon. Prime Minister blissfully ignorant of the whole thing. Well, if that is the case, then I am afraid it is all the more serious.

We heard of this first from the letter dated 12th June, 1995 from the Steel Ministry to the NMDC intimating to them that the Government had taken a decision to enter into a joint agreement with Mittal Group and Nippon Ispat detailing therein the terms and conditions on which this agreement has to be entered. It reduces the equity of the NMDC to 11 per cent and gives an overwhelming majority for the Mittal Group. In this letter of 12th June, 1995 to NMDC, it was sought to be made out that the Government of India has, on the suggestion made by the NMDC, agreed to give this joint venture to Mittal Group. Perhaps to disabuse the mind of anyone, the NMDC wrote back three days later making it very clear that they certainly examined the proposal that came from three Companies, each one of them *prima facie* was eligible to be considered and it is the Government and the Steel Ministry which, in fact, took the decision to award the joint venture to the Mittal Group.

I do not know the over-riding necessity or the rationale which compelled the Government to enter into such an unequal partnership where we were reduced to an abysmal minority, that is, the NMDC, and the private company got the right to exploit these mines.

Sir, I do not want to make any allegation or any

insinuation. But I think this House and, through your august self, this country, would like to know from the Minister what precisely were the over-riding considerations, the rationale for agreeing to such a proposal. It just cannot pass that you have done something and that is the end of it and no one else now is in a position to question that. If that is going to be the answer or the approach or the stance, then, I must, in all humility, say that when the hon. Finance Minister lectures to us that there should be no xenophobia on investment, foreign investment, otherwise the country will suffer, there should be transparency, international bidding. He warns us about the dangers of crony capitalists. Unfortunately, the hon. Finance Minister is not here. But through your august self, I would like to communicate to him and tell him that the xenophobia that he is alluding to is not because of the closed mind of anyone or the prejudiced mind of anyone. We want liberalisation. We want foreign investment. But we wanted it on terms which were, very clear, transparent and easily understood by the people of this country. There cannot be decisions taken behind the shield or behind the curtain for reasons which the country does not know. If an agreement has to be entered into, then it must be clearly understood what is the rationale behind it, why international bidding was not done and why commercial rates were not applied. But there is an enigmatic silence on that point. There was a debate some time ago and also yesterday in the Upper House. I do not want to allude to it. But I think we have all read what has ultimately come out at the end of that debate.

The second level, Sir, on which this matter was dealt with was the Central Government and the State Government of Madhya Pradesh. As I said, these mines happen to be situated in Madhya Pradesh, in Bastar district to be exact, which is one of the most backward and ill-developed portions of the country inhabited almost 90 per cent by tribals. In that whole area of Chattishgarh from where my esteemed friend Shri Vidyacharan Shukla comes, there is great distress... (*Interruptions*). I think all those who would like to act on the right lines should be treated as friends. Those who do not want to do it, I do not want to describe them. But that is what it is.

Now, Sir, according to the Mineral Act, this lease was given to the NMDC nearly to decades back and they were developing it, exploiting it. It is one of the richest mines – Bailadila 11-B – which experts describe as the crown-jewel – these are the words “crown-jewel” – in the mining treasury. Now, I would, with your permission, like to read this specific provision on the transfer of lease.

This is Rule 37 which says :

“The lessee shall not, without the previous consent in writing of the State Government –

- (a) assign, sub-let mortgage or in any other manner transfer the mining lease or any right, title or interest therein; or
- (b) enter into or make any arrangement, contract or understanding whereby the lessee will or may be

directly or indirectly financed to a substantial extent or under which the lessee's operation or undertaking will or may be substantially controlled by any person or body, persons other than the lessee.”

It will be seen, as I have stated earlier, by conceding 89 per cent to the Mittals or others and keeping only eleven per cent with the NMDC who are the lessee, it is obvious that the majority control has been passed on to somebody else against the very specific provision of the transfer of the lease.

SHRI INDRAJIT GUPTA : It is illegal.

SHRI ARJUN SINGH : It is illegal.

The second point is, so far as consent in writing is concerned, I have it on the authority of no less a person than the Chief Minister of Madhya Pradesh that till the 8th of August, 1995, no specific request for any transfer of this lease to anybody's name has been made to the State Government. My own information is that till yesterday, no application has been given. But I know and I know for certain, Sir, that it is not as if the State Government is unaware of it. In March '95 an hon. Member of the Legislative Assembly of Madhya Pradesh asked a question. The question ultimately was disallowed. In any case, I do not want to say anything about it because it is a matter concerning the Legislative Assembly.

It was then the NMDC for the first time, told the Government of Madhya Pradesh in a communication to the Collector of Bastar saying that yes, there is a proposal under consideration to invite some private party. It is by a letter dated 31.3.95 to the Additional Collector, Jagdalpur regarding the Assembly Starred Question Number 2601 wherein it has been stated that mining lease for Bailadila deposits 11-B is presently held by the NMDC. There is a proposal under consideration to take up development of this deposit through a joint venture of the NMDC and a private sector co-promoter to meet the requirement of the sponge iron industry. No decision has, however, been taken so far in this regard, which is a fact.

SHRI INDRAJIT GUPTA : Whose reply is this?

SHRI ARJUN SINGH : This was sent by Mr. Kumar Raghavan, Secretary of the National Mineral Development Corporation. Having come to know of this formal thing, the Government of Madhya Pradesh, according to my information, drew the attention of the Government of India through a letter dated 29.4.95(*Interruptions*)

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI (Garhwal) : I request the hon. Member that there are other issues also and we should also have some time(*Interruptions*)

[*Translation*]

SHRI SHARAD YADAV (Madhepura) : It is a serious issue which cannot be avoided. He is expressing his viewpoint on this issue and considering it a serious matter. We shall also give our opinion.

[English]

SHRI ARJUN SINGH : Through a letter dated 29.4.95, the State Government drew the attention of the Government of India that without a written permission, such a transfer cannot be made. This letter was not responded to. In the background of these facts, I would like to draw the attention of this House to a grave impropriety being committed :

Where the Public Exchequer is literally being defrauded; where an action which has no basis on merits is sought to be taken just to help a certain private company for reasons which we are totally unaware of.

Sir, I do not know what other people would like to say, but I can say without any hesitation that this Parliament must assert itself to go to the bottom of this matter and see what are that facts behind it and make sure that the Government does not get away with something which it cannot justify and which on the very face of it is totally improper, illegal and absolutely against the interests of the country.

[Translation]

SHRI SHARAD YADAV : Mr. Speaker, Sir, the point raised by hon. Member Shri Arjun Singhji ...*(Interruptions)*. He is your leader also ...*(Interruptions)* .. alright, ...*(Interruptions)* ... Have I ever interrupted you in your speech ...*(Interruptions)*

SHRI KALKADAS (Karol Bagh) : We are requesting you to speak . *(Interruptions)*

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI (Garhwal) : This is not against you. Nobody is speaking against you. *(Interruptions)*

SHRI KALKADAS : We are trying to stop him ...*(Interruptions)*

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI : This is not against you. Nobody is saying anything against you. Actually, the resentment has surfaced because every hon. Member has been waiting for his chance to speak for so many days. Nothing is against you ...*(Interruptions)*

[English]

SHRI R. ANBARASU (Madras Central) : Sir, If all political party leaders are given an opportunity to raise the same issue, we cannot be able to take up other burning important issues. *(Interruptions)* Let them give notice for a discussion under Rule 193 if they are so particular. *(Interruptions)* Entire one hour will be taken for this issue alone. *(Interruptions)*

MR. SPEAKER : Please take your seat.
...*(Interruptions)*...

SHRI R. ANBARASU : Sir, we have better important people's issues than this issue. Therefore, if they are so serious about it, let them give notice for a discussion under Rule 193. Why one hour should be allotted for this contract issue alone?

MR. SPEAKER : You take your seat, please.

[Translation]

SHRI SHARAD YADAV : Mr. Speaker, Sir I shall not go into details about the issue raised by hon. Member Shri Arjun Singhji. It is a serious matter and the way in which this was handed over to Mittal Group and the the national property ...*(Interruptions)* will be seen in future. 11B is the richest both in quality and quantity and best iron-ore in the country. NMDC is such a profit earning Public Sector Undertaking of the country which has a turn-over of Rs. 400 crore and which saves Rs. 100 crore. NMDC has requested for permission to exploit the 11B iron-ore and increase its production. A letter for this purpose was sent to the Government of India on November 11, 1993. I would like to state that there are still honest and dedicated people in the country. I do not know the person representing NMDC but it seems that he is an honest person. He has written in a letter that, "Due to the innocence in which you have made this policy, you have decided as to whom the work is to be awarded. Had it been entrusted to us, we would have done it with full devotion and sincerity. We shall not put any extra burden on the Department of Finance. We shall work for exploitation of iron-ore. It was stated by them that they themselves could do that work. If you do not intend to run it due to your liberal policy or if you want to run it in joint venture, then the NMDC must own 51 per cent equity. Shri Arjun Singhji has just stated that it owns only 11 per cent equity. It is democracy and not the Parliament, where the Government is at stake after marginal majority. In joint venture, the company which has even few per cent more equity becomes owner and dictates the terms. We have given NMDC only 11 per cent share of it.

Mr. Speaker, Sir, I would like to state that it consists of 67 per cent and the deal has disclosed that the people of the state as well as the State Government are unaware of the fact that the ancestral property which had been their and their forefather' abode for the years, is being sold out. Is that not a national property as well as the property of your or our grandfathers? I, you or any of us may reside here and go elsewhere but actually it is national property. How did the Government finalise this deal? The department of finance as well as the Finance Minister had objected this deal. It is a profit making organisation and earns more profit than Reliance or Tisco. In the Government's opinion Public Sector has lost its feasibility but it was a profit making unit, why did you reject it?

I heard the reply given by you yesterday. You cannot save your skin by giving such replies in the House. Sir, through you, I would like to ask the Government about the pressure due to which the Government had to put this matter in the Cabinet again for discussion. Sontosh Mohan Devji, this question does not only concerns you but the whole country. If the company gets control over this iron-ore, the company will have monopoly on this iron-ore as well as on the materials required for production of steel at other places. This monopoly will be enjoyed by the

company and not by the nation. It has shown a commercial profit of Rs. 240 crores. The Government rejected the request of the department of finance demanding fifty per cent share in it. The Government says that previously it had given shares to Tata but at that time situation was different. At that time, Government lacked the infrastructure, technology, science and other accessories. But at present the Government is well equipped and with all these equipments, what is rationale behind disposing of this corporation. Why and how did you think of handing over this corporation to Mittal Group?

One of the departments of your Government is ready to run this corporation without demanding any money because this is a profit oriented corporation. I would like to know as to what was the reason behind not handing over this to the corporation instead of some private company?

MR. SPEAKER : Sharadji, there are so many other Members waiting for their chance to speak. There is no need of asking the same question four times.

SHRI SHARAD YADAV : Sir, I am going to conclude. Through you. Sir, I would like to warn the Government that the whole Government is responsible for getting it passed in the Cabinet in a slipsod manner. I would like to warn the Government that it cannot save its skin. The way, in which you have dealt with the matter, really concerns us. Arjun Singhji has still not come out with full facts. How did you finalise such a serious matter? Our position, among the steel producing countries, is very good. We are not satisfied with your reply given on yesterday. Therefore, please come out with satisfactory reply. A discussion should also be held in the House on this issue. If you do not reply properly, then all these things will definitely not be tolerated in the Parliament. With these words, I conclude my speech.

SHRI ATAL BIHARI VAJPAYEE (Lucknow) : Mr. Speaker, Sir, I believe Arjun Singhji is my friend, whatever opinion he may have about me.

SHRI ARJUN SINGH : Mr. Speaker, Sir, My opinion is not about him but it is about his party.

SHRI ATAL BIHARI VAJPAYEE : Mr. Speaker, Sir, Arjun Singhji is involving himself in a mess. It is very difficult to come out of it.

Mr. Speaker, Sir, till the recent past, Arjun Singh ji used to enjoy second position in the Cabinet. The issues raised by him attract our attention too and it is also necessary that the Government should come out with satisfactory reply...(Interruptions)... I am talking about satisfactory reply and not Sontosh Mohan Dev.. ...(Interruptions).. Mr. Speaker, Sir, the question entails some important questions. Privatisation is being done, what does it mean? What are the conditions of privatisation? If NMDC is ready to run the Corporation without asking any assistance from the Government then why it was not given this opportunity? Why the Government of Madhya Pradesh was not informed about it? It has become a matter of debate in media, the other House and the public. It is duty of the Government to lay all the facts on the Table of the House and take the

House as well as the country in to confidence. We always talk about transparent authenticity in the House but it seems that in this matter, something is being hidden, there is something black in the bottom, therefore, the Government is coming out with vague reply.

Mr. Speaker, Sir, I would say that let Sharadji not speak me and I will not let him speak and then, only he should speak uninterrupted, this is not fair.

SHRI SHARAD YADAV: I did not get your point as I heard someone's voice from backside.

SHRI ATAL BIHARI VAJPAYEE: Look forward. Do not always pay attention towards backside.

Mr. Speaker, Sir, I think this question must be replied to. Disclosure of all the facts will solve all the problems. If any error has been committed by the Government or if it is committing an error, it has chance to correct it. The Government must opt for that and it should not make it a prestige issue. We do not have all the facts with us but the facts that have come to light are bothering the Government and it is for the Government to decide whether it wants to be troubled by difficulties or come out of it.

[English]

SHRI INDRAJIT GUPTA: Sir, I would like to very briefly supplement what other colleagues here have said and to lend my voice to the demand that a thorough probe has to be held into this whole affair. The country is exercised now, after the revelations that have been made as to what exactly the Government's public sector policy is. The legal aspect of it has been dealt with by Shri Arjun Singh. I do not wish to repeat all that. We have also read statement issued by the Chief Minister of Madhya Pradesh, which also makes it clear that in his opinion what has been done here is completely illegal. A lease cannot be transferred in the way it has been transferred. I am now conscious of the fact that this agreement which has been made has also been taken up to the Cabinet and approved by the Cabinet.

So, the Prime Minister's assent to it is obvious. I know, it is not very easy to upset a matter which has already been approved by the Cabinet. It is a very difficult task. But this House is supreme after all. The Cabinet is responsible to this House; and the Cabinet cannot escape its responsibility, if this House considers that something has been done which should not have been done and which is completely contrary to many assurances which have also been given here on the floor of the House regarding the public sector.

I just want to add one point. This is the first instance, to my knowledge, where a viable and profitable public sector undertaking is being handed over like this. Nobody has questioned its viability, nobody has questioned the fact that it is making good profits and nobody has questioned the fact that the targets of production which were set every year before this National Mineral Development Corporation have been adequately fulfilled and in some cases over fulfilled. Nobody has questioned these things.

The question which arises in our mind now is this. Why an undertaking of this type which incidentally, as Shri Arjun Singh has said, is mining the richest quality of iron ore which is available in this country, is being sought to be handed over practically as a captive mine to a private concern? We know about captive mines in the coal industry and all that. I have nothing against Mr. Mittal; I do not know him. He wants this rich quality of iron ore in order to feed his proposed sponge iron plant. This is what he said. He requires this high quality iron ore for his sponge iron plant. The NMDC was willing to give him whatever quantity of iron ore he wanted, sell it to him, negotiate the price and let him get the supplies from that mine '11-B of Bailadila.' They had not said that they were not prepared to give the iron ore to a private venture. They are prepared to give it; and it is a normal commercial thing. He could have purchased from them. There was no barrier, there was no hinderance and there was no objection from anybody. Then, why did this Government step in and see to it that NMDC entered into a contract agreement by which this iron ore is to be handed over to this private company, practically for a song? The agreement envisages this joint venture or joint holding of share in this company to the extent of 11 per cent being left for NMDC and the whole of the balance going to Mr. Mittal and his company. So what is the idea?

We were always told that if a public sector company is sick, if it is running in losses, if it is not doing well, then, it is a drain on the economy; and we should disinvest our Government capital in that company or we should try to get rid of it or close it down or try to sell it to somebody if anybody is willing to buy it and so on. This is the public sector policy which has been stated umpteen times on the floor of this House and outside also.

But now something is being done for the first time which is the direct opposite of this policy. I believe that even if a new policy decision is to be taken by the Government, they have to come to the House first and make a declaration here that they proposed to change the old policy and adopt a new policy and seek the approval of the House. They never bothered to do anything of the kind. They have done it outside, behind the back of Parliament; and the result now is going to be that the richest iron ore deposits in our country situated in the District of Bastar are to be handed over to a private company; and they are to be given the authority of controlling, ownership and exploitation of this mine. It is for what reason? That is what we would like to know. I am not imputing all the other suspicions which have obviously come into everybody's mind that there was some other consideration behind the scenes. I do not want to go into that and I have no evidence about it. But the commonsense also is something which should not be abandoned.

Commonsense is a valuable thing which sometimes should also be utilised to come to certain conclusion. Therefore, I am charging this Government with having deliberately given away – sold away – a viable and highly profitable public sector undertaking to a private concern in

order to give them every possible advantage.

This iron-ore deposit previously was sought by Japan for their steel industry. The Japanese have invested capital here to construct a railway line which goes from Kirandool to Kothavalsa across the hills, across the mountains, drilling so many tunnels on the way. It is one of the great engineering feats, I should say, for which the Japanese paid money from Kirandool across the hills to Kothavalsa in Andhra Pradesh. This iron-ore used to be taken and shipped out from Visakhapatnam to feed the steel factories in Japan. Now they are having a recession or something. I do not know what. They do not require so much of iron-ore from this country. This is all lying there in Bailadila – richest quality of iron-ore. And it could certainly be sold in commercial terms to any private company that wants it. There is nothing in that. We do not object to that. They could have sold it. Mr Mittal could buy it and run his sponge-iron plant.

Why has this particular form of agreement been entered into by the Government? That is what we would like to know. And unless the Government can clear up the whole thing, we are going to pursue this further. We are going to see to it that Parliament is not deprived of its rights and Government is compelled to come out with full facts of the matter.

MR. SPEAKER : Mr Basudeb Acharia.

SHRI BASUDEB ACHARIA (Bankura) : Sir, our concern is

MR. SPEAKER : Mr. Basudeb Acharia, the question is asked : "Why is it given?" It is not necessary to repeat. If there are any other points, please tell us.

SHRI BASUDEB ACHARIA : Our concern is : how did the Government take a decision to hand over 11-B mine to Nippon Denro Ispat Limited? Why was the National Mineral Development Corporation – the most profitable public sector unit of our country, making profit year after year, having a reserve of Rs. 200 crore, whose shares are sold at high premium, whose credit rating is excellent denied by the Ministry of Steel the right to develop 11-B deposit which is really a rare deposit?

A detailed project report was prepared. If the mine is to be handed over to a private company to develop it, then why did the Government spend Rs. 20 crore for preparation of the detailed project report? Two companies were engaged. One was of Canada, a subsidiary of US steel company and another was a public sector company – MECON. These two companies prepared the detailed project report. Their report is that this company will earn profit to the extent of Rs. 1,475 crore within 20 years. That means, Rs. 95 crore per annum. When the detailed project report was prepared and submitted to the Government, the Ministry of Steel slept for more than thirteen months to take a decision and suddenly woke up and took a decision to hand it over to a private company at a throw away price.

Sir, NMDC never refused to develop its most precious mine whose iron content is 67 per cent. It is better than any other mine in the world, better than the best in the world and even better than Bailadila-5. Its deposit will be exhausted by the turn of this century. Sir, you may refer to the agreement with Japan in 1990 to export iron ore to Japan. We opposed it because we would face shortage of iron-ore as there was a proposal for expansion of Bhilai Steel Plant and after modernisation of Rourkela and Durgapur Plants, more and more iron-ore would be required by them.

MR. SPEAKER : We have spent 45 minutes on this subject.

SHRI BASUDEB ACHARIA : But, Sir, this is not to export iron ore. When NMDC had agreed, Finance Minister also opined that if there would be a joint venture, there should be a commercial bidding. Minister of Steel, Shri Sontosh Mohan Dev would enlighten this House to why there was no commercial bidding. What was there in the agreement? Why is it not transparent? Why was this House not taken into confidence when such an important decision was taken? We had an apprehension that the Government was going to take such a decision and that it would be brought to the Cabinet. So, we met the Prime Minister 15 days before the Cabinet meeting and requested him not to have such an agreement with Nippon Denro Ispat Limited. The share of that company would be 89 per cent and the share of NMDC would be only 11 per cent. How did the Minister of Steel come to the conclusion that the share of NMDC would be limited to only 11 per cent? What is sacrosanct about this 11 per cent? We demand that all papers relating to this agreement be laid on the Table of the House; there should be a thorough probe into this matter. I would also like to request you, Sir, to constitute a House Committee to go into the entire aspect of this deal. The entire country is against this agreement and this is a total sell-out of a public sector company, Sir.

[Translation]

SHRI RABI RAY (Kendrapada) : Mr. Speaker, Sir, It is good that Shri Arjun Singh, after quitting the Congress, raised an important issue in the House, with the start of zero hour and by giving permission to this issue to be discussed in detail in the House, you too have done a laudable job. People have been discussing this issue out of the House for the last two months. I would like to thank the newspapers 'Statesman' for publishing a booklet on this issue. I was thinking that there are Members of all parties in this House and whenever such issues are raised in the House, we put forward our opinion. The Members have been giving their opinion on public sector, starting from Jawaharlal Nehru's time till now. Many a time we come across with such questions as raised by Shri Arjun Singh.

Mr. Speaker, Sir, National Mineral Development Corporation is an asset for India, which produces the best minerals in Madhya Pradesh. In spite of that you have handed over this corporation to private sector. After

liberalisation, when the policy of privatisation was made, some rules and conditions were also laid down and the Government as per the rules had decided to retain 51 per cent shares for the public sectors. Therefore, the main question is as to how did you give 89 per cent share of the corporation to this company?

Mr. Speaker, Sir, will our parliament continue to witness this game as a mute spectator? Will the Government privatise a national and social property a profit oriented public sector unit which was published by 'Statesman' with a title 'Rape of Bailadila' and hand it over to a private contractor without explaining any reason?

Mr. Speaker, Sir, It is an important question. We should think over it rising above party affiliations and party line. Some facts have been put forward by Shri Arjun Singhji. The Government's response is about to come. Before it, the Government should cancel the deal about the national asset, going against its own policies as well as the policies of the country and get the whole case enquired by the Parliament Committee so that the House as well as the country could know about the erring person. This is all that I wanted to state.

[English]

THE MINISTER OF STATE OF THE MINISTRY OF STEEL(SHRI SONTOSH MOHAN DEV) : Mr. Speaker, Sir, I have heard with rapt attention the various points that have been raised by the hon. Members.

At the very beginning, I would like to place before this august House that Shri Jaswant Singhji has said that this has been done very hurriedly without any transparency and it has been also repeated by some other Members.

The issue started on 12.10.1990 when we were not in power and it continued over a period of time say during July, 1991, 6.8.1991, 11.9.1991, October 1991 and like that it came up for consideration 42 times upto 1.8.1995 ... (Interruptions)... I am coming to that. I have not disturbed anybody and I humbly request you to give me a chance to place my views, my Government's views. After that if the hon. Speaker allows you to have further clarification or discussion, we are prepared to do so. We have nothing against it. I have to reply in short and I am sure that the discussion during Zero Hour does not need a long reply.

The first and foremost question that has come is : 'whether it is a legal thing that has been done.' The second issue that has come is : 'whether the State Government has been taken into confidence.' The third issue that has come is : 'why 11 per cent has been given.' The fourth issue that has come is : 'it is a very highly profitable company and you have given a highly profitable iron ore, without giving to the company, to the private sector. These are - I could analyse - the major issues.

SHRI BASUDEB ACHARIA : Also 'commercial bid.'

SHRI SONTOSH MOHAN DEV : And 'why not commercial bid.' Right.

Let us go one by one.

You, the hon. Members of this august House, in your wisdom have formed a Standing Committee on Industry and the Chairman of that Committee is Shri Ashok Mitra, an hon. Member of Rajya Sabha from CPI(M). What have they said? I am going a bit back and not going backward. Recently they have said that the iron ore should be utilised fully. They have suggested vastly expanded scale of investment in mining operation by the public sector unit including the SAIL and NMDC. This is number one. Number two in the alternative a drastic cut back in exports from the present level of 30 million tonnes. Number three, large scale deployment of external capital into iron ore mining sector. This is the latest report of the Committee and I understand ...*(Interruptions)*

MR. SPEAKER : Mr. Acharia, I think, you shall have to hear him.

SHRI INDRAJIT GUPTA : Have they recommended?

SHRI SONTOSH MOHAN DEV : This issue was debated in the Standing Committee also. The Committee called the officials of the Ministry of Steel and also the officials of the Ministry of Finance and questioned them as to why no budgetary support was provided to this company. Why is the Government going in for privatisation of this mine? As pointed out by Shri Yadav, it is the most profitable public sector undertaking in the country. It is very unfortunate for me that I have to say certain things which I avoided saying last year.

In the year 1991-92, the turnover of the company was Rs. 304.74 crore. The net profit was calculated to be Rs. 120.21 crore. The net profit after tax to turnover ratio was 39.4 per cent. In 1992-93, it slid down to 28.2 per cent; in 1993-94, it was 23.7 per cent ...*(Interruptions)*.

Now, I may submit, as Shri Basudeb Acharia has just now said that NMDC itself is facing problem in the international market. Today we are facing competition from Australia, Brazil and other areas. The iron ore which was being sold at a price four years ago does not sell at the same price today in the international market. Brazil and Australia have come into the field in a big way.

Now, the question is : Why has it been given to the private sector? The total commitment of NMDC during the Eighth Five Year Plan is Rs. 1,384 crore. One hon. Member very rightly pointed out that NMDC has got resources worth Rs. 259 crore. I agree with him. I do not disagree with that point. But if I have to spend Rs. 250 crore for one iron ore mine, another Rs. 250 crore for another iron mine, then what would happen to the financial commitments which I have with regard to the other projects ...*(Interruptions)*

Kindly allow me to speak. Please do not disturb me. After I complete my submission, if you want to raise any question and if the hon. Speaker allows that, I would answer your questions. Then a question has been asked as to what are the projects? As I intend to be brief, I would like to place a statement showing the projects on the table of the House ...*(Interruptions)*

Sir, NMDC has got a financial commitment for deposits at mines 10A and 11A. The total cost of the project 10, 11A, Ultra Pure Ferric Oxide, Blue Dust Mining, Arki Limestone, Panna exploration – we have also got a Panna mine – and other schemes is about Rs. 1300 crore.

Now, without criticising any Party, I would like to ask as to what has happened in the past in our country. Whenever any public sector undertaking was asked to undertake a project the budgetary support was made available to them. Nothing was to come from the market. Today, the budgetary support is not available with us. If I go to the market and borrow money – as Shri Yadav said rightly – I would get the money. But can I service it? If I am earning Rs. 2,000/- and if I go to Vajpayeeji and ask for a loan of Rs. 5000/-, he might give me, but I have to return his money. My income should be such that I am able to return the money.

Now, you take the case of Durgapur Steel Plant...*(Interruption)*.

[Translation]

SHRI SHARAD YADAV : Mr. Speaker, Sir, NMDC has requested that it be allowed to take over the project and has stated that it would manage the finances. Secondly, the hon. Finance Minister and the Department of Finance ...

[English]

SHRI SONTOSH MOHAN DEV : Those points are in my mind. I will reply to those points also. These are the basic questions which I myself have pointed out. Now, since this is the position, we in the Ministry of Steel are not willing to allow a public sector undertaking like NMDC to develop a mine where a private party or private parties are willing to invest. It is because our decision is guided by the policy and decisions of the Government according to which only in those areas where private investment does not come, the public sector must perform ...*(Interruptions)*

Now, you may or may not agree, the fact remains that it is our policy when we decided on this, somebody raised a question as to whether we have the authority to do it. Shri Arjun Singhji has raised a question and he has also quoted a letter written by my Ministry to NMDC.

13.00 hrs.

Article 119 of the Memorandum and Articles of Association of NMDC gives power to the President to give direction to the public sector undertakings.

You have raised a question about the illegality. You are partly right and partly wrong. You have raised a question that the wording is not correct. For any lease which is transferred the approval of the Central Government is necessary and then the consent of the State Government is also required. Unless we have found a company and registered it, why should we go to the State Government?

I have got a document which I can certify and place on the Table of the House. The National Mineral Development

Corporation has submitted an application on 9.8.1995 to the State Government. The Chief Minister of the State has informed you about the position up to 8.8.1995. In this letter it has been mentioned that they have not only registered the company ...*(Interruptions)*..Let me finish first. It is not proper.

A company has been registered in the District of Raipur. The Deputy Commissioner and the Income Tax Officer have dealt with the clearance needed for the registration of a company because it is a new company. So, nothing has been done without the knowledge of any State Government. The Chief Minister is right. Arjun Singhji is right and I am also right. There is some communication gap.

SHRI ARJUN SINGH : As directed by my friend, I have been very patiently listening to him. Now, he has come out with an application purported to have been given on 9.8.1995. I purposely did not mention the application that I have in my possession. With your permission, Sir, I would like to place it on the Table of the House. I have in my possession a letter, an application seeking this kind of permission – which he says was given on 9.8.1995 – but it is dated 1.8.1995. Since this matter came up, they have been trying in this manner to somehow get this into the files of the Government of Madhya Pradesh, either at the Collector level or at the State level, so that they can come and say that they have sought prior permission. I will pass on this letter to the Minister so that he can enquire into this. It is true that this letter was not accepted by anyone because it was sent after FAX, which you are not entitled to do.

SHRI SONTOSH MOHAN DEV : As a Minister, I have got teachings mostly from him because he was my Cabinet Minister. I can vouch, and he also knows very well what sort of a person I am, that I am telling you the facts.

Rule 37, if I were to read it, is a long one. The hon. Member has already read it and it specifically mentions about the prior approval of the Central Government. I was trying to avoid it as it will again create 'hullah' here. I have got a letter from Mr. Deve Gowda, the Chief Minister of Karnataka ...*(Interruptions)* Let me finish. I am trying to prove my point.

It is a letter asking Central Government to give a mine to Jindal, a private sector company. The procedure which we have adopted is not a new one. The approval of the Central Government is necessary and the consent of the State Government is asked for. It is not that first you get the consent of the State Government and then come to the Central Government for permission. In this case the Cabinet has taken a decision. Prior approval of the Central Government cannot be obtained for the transfer of the leas without getting the company registered because when we went to the Cabinet we identified two beneficiaries; Nippon Denro Ispat Ltd. and Essar Gujarat. The Cabinet decided in favour of Nippon Denro Ispat and Essar Gujarat. Unless the Cabinet decides about it, how can the company apply? This is the position.

Another question has been raised saying that an amount of Rs. 20 crore has been spent. It was not Rs 20 crore, only Rs. 2 crore have been spent.

Another question has been asked about the exploration. This deposit is not fully explored at all. We have made the project report and also the preliminary feasibility which cost only about Rs. 5 crore. Hon. Members will remember that to fully explore one mine it needs huge expenditure. NMDC have not done that.

Another question that has come up is, "When the NMDC has asked for it, why have we not given it to them?" The NMDC, from the very beginning, has been asking for it in the joint sector. They have never asked for it on their own but they asked for it in the joint sector. The original proposal was that NMDC will retain 26% equity. For the joint venture, at that time, three parties were identified for 26 per cent each and the balance equity has to go to the public. As I told here, several discussions were held between the three parties and the NMDC. Unfortunately, everybody wanted control; everybody wanted 51 per cent and above. There were several other proposals NMDC ultimately decided to form a Committee which held discussions with all the three companies. They decided that either Nippon Denro or Essar that could be taken as partner. Some Members have said that the document should be placed before the House. If necessary, I will place them because then many doubts which are in the minds of the hon. Members will be cleared. Nothing has been done behind the back of the NMDC. Nothing has been done behind their back.

Another question that has been raised is, "When the Finance Ministry had objected to it why have I overruled them?" Sir, you yourself were a Minister once. Many of the Members sitting here had been Ministers at one time or the other. We all know that when a Cabinet Note is circulated to different Ministries, every Ministry gives its opinion on it. When it comes back to the Cabinet, ultimately they take a collective decision. This was a collective decision of the Cabinet. We proposed that it should be a captive mine. Many Members questioned me and my Ministry as to why it was not taken as a commercial bid and why was not it made a one-to-one or one-to-three, or one-to-four bid. This particular CLO, the calibrated lump ore, is needed only for gas-based iron ore production for which there are only three parties and all the three were called initially.

The Members have asked as to why a global tender was not called. I do not know how the Members feel about it, but if I call for a global tender, I get them a higher price. The ore will go to Japan, Brazil etc. Even today Japan is writing to us. I had been to Japan and their Ministers had said that they want these iron ore mines. As somebody mentioned, an agreement was signed with Japan. This was an issue on which the national papers were agitated. The Cabinet in its meeting decided that in future no further iron ore would be exported without the prior permission of the Cabinet. This agreement is going to lapse in 1995-96. It went to the Cabinet and the Cabinet gave a direction that

the requirement of all the domestic industries which need iron ore must be fulfilled first and if there is excess then only we shall export. We are preparing a paper on this, we have not been able to finalise it.

Now, the other question comes as to why we said that NMDC should have only 11 per cent equity. Sir, this 11 per cent and 89 per cent phenomenon is not a new one. It has happened in West Bengal also.

SHRI BASUDEB AHCARIA : Why are you referring to West Bengal? Why do you not restrict yourself to Bailadilla?

SHRI SONTOSH MOHAN DEV : All right, forget about West Bengal. When CAPARO and Swraj Paul came to Orissa – Biju Patnaik was there at that time – they said in that agreement that it would be 11 per cent and 89 per cent. You see, the main fact with the private parties is that they want control. Whether you like it or not, they want control. So, when NMDC gets 11 per cent of equity I have to protect the interests of the NMDC. I have got a decision of the Cabinet here. Certain decisions were not suggested by the NMDC but the Cabinet in its wisdom has taken them. In the Cabinet we have taken a decision that the Head Office of this company should be located in Madhya Pradesh for the reason that they will get the advantage of the Income Tax and the Excise Duty, a share of which would proportionally go to the State. Another thing is many people including Shri Indrajit Gupta and others wrote to the Prime Minister and me saying that employment opportunities will be affected. We made it a condition in our agreement that all employment in that area must be given through the Employment Exchange, not based on the slab of Rs. 2,500 and odd which is prevalent in the other parts of the State and the country but all employment including the executive posts should be given through the Employment Exchange.

Then, we have also said that if they want to bring the people from outside, they have to have a certificate from the employment exchange. Otherwise, they cannot sponsor their names. The agreement also says that if they want to make any basic thing in the Memorandum and Articles of Association, they have to take the consent of the NMDC. Without that, they cannot do it. Even, if they have 26 per cent equity, they will have only these benefits.

SHRI ARJUN SINGH : Sir, I do not want to say anything after he has finished. I will be unfair to my erstwhile colleague because he has mentioned in this House that I had the privilege to work with him.

SHRI SONTOSH MOHAN DEV : I had rather worked with you and not you worked with me.

SHRI ARJUN SINGH : It is because with this preface he went on to draw my attention and the attention of this House. I did not read out the latter portion of the rule which I have quoted and which he has also read out. I would like to read out this Rule 3(2). It says :

“Except with the previous approval of the Central Government, no prospecting licence or mining lease shall be granted.”

Sir, neither a prospecting licence nor a new mining lease has been granted. It is a transfer which is being sought. So, Rule 1 is very very specific and very clear. So, do not mis-read and mis-inform the House that you are acting under a Rule which does not apply to this case.

SHRI SONTOSH MOHAN DEV : Sir, again I have to disagree with my senior.

SHRI ARJUN SINGH : You can disagree. But do not misquote.

SHRI SONTOSH MOHAN DEV : We have not yet signed the Lease Transfer. The company has been formed. We have asked for the consent of the State Government. He is right. The approval of the Central Government is needed. The consent of the State Government is needed. We have asked for the consent of the State Government.

SHRI ARJUN SINGH : The contract has been completed. Let him say that it has not been completed.

SHRI SONTOSH MOHAN DEV : The contract has not been completed. Another company has been floated. I will cite an instance.

There are letters written by two Chief Ministers. They have entered into a contract. The company has been started. The work has started. Now, they have asked for our approval. The Mineral Policy of 1993 was laid on the Table of this House and also debated in this House. Under the policy iron-ore sector has to be opened both to the public sector and the private sector. The major point is that why a profit-earning organisation like NMDC has given a profit-earning iron-ore mine to the private sector. This is the main issue which is agitating the minds of everybody. I have repeatedly said that we have done it because we have also other priorities. If I have gone wrong, then you can point out. Do not bring the Prime Minister into the picture. How can you bring the name of the Prime Minister here?

SHRI ARJUN SINGH : It is because you sought his guidance. ...*(Interruptions)*

SHRI SONTOSH MOHAN DEV : I have brought it before the Cabinet. The whole Cabinet had decided it. It was debated in the Cabinet for more than forty-five minutes. Such matters normally go before the CCEA. It did not go to the CCEA. We have even taken enough protection in the interest of the country. You are saying that these are not to be done. Why? You are saying that by giving a profit-earning iron-ore company to the private sector, we have ruined the country ...*(Interruptions)*

In my Statement in this House, when you allowed me during Zero Hour on Shri Somnath Chatterjee's intervention, I have said that we will be producing 37 million tonnes of steel in the country, by 2001-02.

According to our analysis 24 million tonnes of Steel production will come from the existing steel plants and other units. Balance 13 million tonnes will come from the private sector. In order to encourage private sector in future not only this mine but many other mines will be given by the

State Governments and Central Government to the private sector. We have to look at it from this point of view. Shri Vajpayeeji has raised this question, a valid question because if I export one million tonnes of iron ore outside, I will get about Rs 50 crore. If I send a value added product of one million tonnes, I will get Rs. 950 to Rs. 1100 crore. Our aim is to involve private sector. We do not feel shy. We do not say that private sector must not come. We welcome private sector in future and it is in the interest of the country. Sir, I have said whatever I want to say within the time you have given me. ... (Interruptions)

SHRI ARJUN SINGH : Sir, with your permission I would like to point out that my erstwhile colleague has mentioned about the conditions which the Cabinet in its wisdom has added to what was suggested which contains many things. One is about employment which he has just mentioned. I think he knows that the NMDC in its letter dated 15.6.1995 made a specific mention about this in this letter. "Holding only 11 per cent of the shares, the NMDC will not be in a position to enforce the above stipulations on the joint venture company while implementing as the management will be entirely with the NDIL". Now, what is the point in trying to assure us that everything has been taken care of? In fact everything has been disregarded. If the Prime Minister had been here I would have appealed to the Leader of the House. But he is not here. I would like to appeal to the Leader or the Opposition in all humility, he is the Chairman of the Public Accounts Committee or whoever is the Chairman of the Public Accounts Committee to immediately take up this matter with your permission and come in this Parliament Session and give us the real facts about this matter or in any other way you think proper. We cannot be taken for granted. This Parliament cannot be faulted and this Parliament cannot be sidelined. If this is what they want to do, I think it would be a sad day for Parliamentary procedures in this country.

[Translation]

SHRI ATAL BIHARI VAJPAYEE : Mr. Speaker, Sir, suggestion has been given that the Public Accounts Committee should look into the whole matter. You also can give direction in this regard as has happened several times earlier.

[English]

MR. SPEAKER : I think, Vajpayeeji, you are right. But then Arjun Singhji has put it very rightly. The Chairman of the Public Accounts Committee is at liberty to take up the matter. It can be taken up. It would not be correct for me to direct at this point of time. Let them take a decision. I have no objection.

[Translation]

SHRI ATAL BIHARI VAJPAYEE : They can take a decision keeping in view the sentiments of the House (Interruptions)

[English]

MR. SPEAKER : Do not make a statement like this.

[Translation]

SHRI RAM NAIK : I am also saying that the sentiments of the entire House. (Interruptions)

[English]

MR. SPEAKER : You have heard. You are not expected to make a statement.

[Translation]

SHRI RAM NAIK : We will take a decision in this regard later on. I have understood the sentiments of the House. (Interruptions)

[English]

MR. SPEAKER : Do not respond. (Interruptions)

MR. SPEAKER : I think Arjun Singhji has put it correctly and it is within the rules and within the law. It should be done in that fashion only. Now, please understand the manner in which it is put before the House and do not prolong it.

SHRI SONTOSH MOHAN DEV : Sir, his last point was about this letter. After that letter came we referred this matter for legal advice. The legal advice has been given by one of the eminent lawfirms, Dadachanji Ravinder Narain Mathur & Co., I would like to read it and let it go on record;

"Shri Kumar Raghavan the Company Secretary and Shri Raghavacharulu, Law Officer have brought to our notice the Joint Venture Agreement between NMDC and NDIL duly approved by the Board of Directors of NMDC in the 296th meeting of the Board held on 7.7. 1995 held at Delhi. We have gone through the terms and conditions"—the hon. Member says that its terms and conditions will not be valid; they have gone through the terms and conditions of the said joint venture agreement between NMDC and NDIL. "The Agreement is in compliance with the decision of the Government of India and the same is legally enforceable and in order."

SHRI ARJUN SINGH : I have great respect for Shri Dadachanji, I do not want to comment on his legal advice. (Interruptions) He is quite entitled to act accordingly. He can do whatever he likes.

MR. SPEAKER : What is enforceable and what is not enforceable is ultimately decided by the court.

[English]

SHRI R. ANBARASU (Madras Central) : The paddy crops cultivated in 10 lakh hectares in Thanjavur Basin are getting dried up due to non-availability of water. The entire Curuvai crops will be damaged if water is not released in the Cauvery river by the Government of Karnataka.

The Cauvery Water Disputes Tribunal gave its interim award in the year 1992 stipulating that the Government of Karnataka should release 205 TMC of water. In spite of the interim award, the Government of Karnataka has completely ignored it and that amounts to contempt of court. Even the Government of India also has not taken it seriously to direct the Government of Karnataka for the implementation of the interim award. In fact, the Government of India under Article 262 of the Constitution can give a direction to the Government of Karnataka for the implementation of the interim award. The Central Government is also lethargic.

If the award is not implemented, people will lose faith in the judicial bodies which will pose a threat to the unity and integrity of our country *

MR. SPEAKER : It is not going on record.

SHRI R. ANBARASU : If the Centre is not keen on implementation of the award, it is better to wind up the Tribunal since for the final award it will take at least 10 years. Hence, it will be a mockery of judiciary if the decisions of such judicial bodies are not implemented. It is mandatory on the part of the Central Government as well as of the State Government to implement the award.

I, therefore, demand and urge upon the hon. Minister of Water Resources to direct the Government of Karnataka under Article 262 of the Constitution to implement the award immediately. Otherwise the farmers at Thanjavur will be put to heavy loss and the people of Tamil Nadu also will have to face a crisis for food.

MR. SPEAKER Prof. Prem Dhumal.

[Translation]

PROF. PREM DHUMAL (Hamirpur) : Mr. Speaker, Sir, the National Industrial Tribunal Constituted on the directions of the Supreme Court, had issued instruction to the Government of India on 30 April, 90 to pay salaries and allowances and other perquisites to the employees of regional rural banks all over the country at par with the pay and allowances given to the employees of Sponsoring banks. The Government of India had also issued orders on 22 February, 91 to implement this award and accordingly, the facilities of 5th Wage Agreement had been implemented in regional rural banks.

[English]

SHRI M.R. KADAMBUR JANARTHANAN (Tirunelveli) : The promise given in 1993 has not been fulfilled.

[Translation]

PROF. PREM DHUMAL : Sir, Sixth Wage Agreement for banking industry has been finalised on 14 February, 95 and it has also been implemented but the Government has not yet issued instructions to the regional rural banks. Employees from all over the country are sitting on Dharna in protest and they will go on countrywide strike on 22 August.

[English]

SHRI M.R. KADAMBUR JANARTHANAN : What about the promise given by the Minister of Water Resources to the Tamil Nadu Government?

[Translation]

PROF. PREM DHUMAL : Sir, the Government of India had advanced a logic of deficit before the National Industrial Tribunal also but it was not accepted. These banks were running into losses even at the time when this award was implemented. It is, therefore, not right to reiterate this logic again. At present, 11 out of 27 public sector banks are still running into losses. Even then, Sixth Wage Agreement has been implemented there. My submission is that the hon. Finance Minister should make a clear statement for implementing this Agreement.

(Interruptions)

MR. SPEAKER : Only Prof. Prem Dhumal's statement will go on record.

(Interruptions)*

MR. SPEAKER : Please take your seat. It is not correct.

(Interruptions)*

MR. SPEAKER : You go to your seat. If you are so interested, why did you not ask a question then? You have waited for all these things. Now, I cannot put up with the shouting in the House. If you want to do the business in a proper manner, I can help you.

(Interruptions)

MR. SPEAKER : You first go to your seat.

(Interruptions)

MR. SPEAKER : You first go to your seat. You are making mockery of this Parliament.

(Interruptions)

MR. SPEAKER : I do not think that you people are entitled to behave like this in the House.

(Interruptions)

SHRI M.R. KADAMBUR JANARTHANAN : Sir, the farmers are suffering..

MR. SPEAKER : Why did you not put a question then? I would have got the reply from him. What prevented you from asking a question?

(Interruptions)

MR. SPEAKER : Please take your seat.

(Interruptions)

MR. SPEAKER : Mr. Minister, are you interested in saying something?

(Interruptions)

MR. SPEAKER : You should understand that if you

want to behave properly and use the rules, you will be allowed to. But this is not the way to do, shouting at the times and getting the things done.

(Interruptions)

SHRI A. ASOKARAJ (Peramballur) : This is a life problem for us. That is why we are agitated.

(Interruptions)

MR. SPEAKER : Why did you not ask a question then?

(Interruptions)

MR. SPEAKER : Why did you not ask a question then?

(Interruptions)

DR. N. MURUGESAN (Karur) : The hon. Minister should make a statement in the House whether they are properly implementing the monitoring system evolved under the Interim Award of the Tribunal.

SHRI M.R. KADAMBUR JANARTHANAN : We want a categorical reply.

MR. SPEAKER : It cannot be a categorical reply at the last moment, at the spur of the moment.

(Interruptions)

THE MINISTER OF WATER RESOURCES AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI VIDYACHARAN SHUKLA) : We are in constant touch with the State Government and we are trying to help the resolution of this dispute which is going on before the Tribunal. We have been assuring all the parties concerned that their view points will be taken into consideration before any judgment of the Tribunal is given.

As far as the Interim Award is concerned, that is being implemented. We have appointed a Committee in accordance with the assurance that was given to the Chief Minister of Tamil Nadu and that Committee which has been appointed is functioning. It is a fact that there is a shortage of rainfall in the Couvery basin because of which the problems have arisen. But those problems are being sorted out with the full cooperation of the State Governments of Karnataka and Tamil Nadu. But where there is a shortage of rainfall we cannot produce water artificially. So, whatever is there has to be distributed in accordance with the Interim Award given by the Tribunal. That is what we are doing. We are keeping a full watch and we are in constant touch with the State Government on this point.

(Interruptions)

PROF. PREM DHUMAL : Sir, I want to speak for one minute only. *(Interruptions)*....*

MR. SPEAKER : Nothing is going on record except the statement of Shri Dattatraya Bandaru.

SHRI DATTATRAYA BANDARU (Secunderabad) : Sir, due to shortage of kerosene oil in Andhra Pradesh the poor people are suffering in villages and shops are creating artificial shortages.

The oil companies are not maintaining sufficient staff of kerosene since January, 1995. Their supplies have become highly irregular thereby causing an artificial

shortage in the market for the consumers. Due to this shortage a large number of women are standing in the queues before the fair price shops. The rate of kerosene is Rs. 3.10 now in the market and in the black market it has gone upto Rs. 8.00. The poor people cannot afford and that is why they are suffering silently.

Even our State Civil Supplies Minister had appealed to the Central Government to arrange supply by providing necessary railway wagons which is the main cause of the problem. Due to the non-availability of sufficient staff at the kerosene depots of the oil companies except at Visakhapatnam depot, the wholesale dealers are not able to supply kerosene regularly to the fair price shops.

The oil companies are issuing very limited quantity of kerosene in the first fortnight of every month when the demand is more and they are issuing stock only at the fag end of the month, thereby causing great difficulties in supplying kerosene to rural areas by the wholesale dealers.

The oil companies do not bother much about the stock position of the kerosene. They are interested mainly in petrol and diesel depots. Owing to competition between the companies the distribution of kerosene is affected. Due to non-availability of oil and irregular supply of oil from the companies, it will result in the lapse of the allocation or reduction of the quota of kerosene for the State in future.

The demand for kerosene normally increases from July onwards due to onset of monsoon.

I demand that the hon. Minister of Petroleum and Natural Gas should issue instructions to the oil companies to arrange regular supply of kerosene. I also demand the hon. Minister to arrange for wagons for movement of kerosene to the State of Andhra Pradesh.

[Translation]

SHRI HARI KISHORE SINGH (Sheohar) : Mr. Speaker, Sir, the entire Northern Bihar is flood-affected due to heavy rains experienced in the area on 13-14 August and in neighbouring country Nepal. Especially, Sheohar, Sitamadi, Eastern Champaran, Western Champaran, Madhubani and Darbhanga are the worst affected areas. Mr. Speaker, Sir every second or third year Northern Bihar has to incur heavy losses due to heavy rains in Nepal. Traffic has been disrupted. Siwan district has been cut off from the capital city of the State. Similarly, Sitamadi and Madhubani districts have also been cut off from the States capital city. People in Darbhanga district are facing acute difficulties. Every second or third year Bihar has to incur heavy loss due to international rivers especially, when heavy rains are experienced in Nepal. State Government is not capable to handle this situation. Therefore, I would like to request the Government of India that an amount of at least Rs. 50 crores should be released to the Bihar Government to meet the exigency and give relief to the people.

[English]

MR. SPEAKER : Now Papers to be laid on the Table.