

SHRI CHITTA BASU: Sir, the hon. Minister has kindly referred to the large repayments to the IMF under Extended Fund Facility. Now, I think the hon. Minister knows that debt service ratios have exceeded the normal proportion. It has reached up to 30 per cent in terms of the present exports of our country. In view of this situation, will the Government take additional precaution to see that no loans are asked for from commercial sources as the interest charges are made higher? If IMF accommodation is not available and if accommodation from other sources is also not available, what other means is the Government thinking of regarding commercial loans? What is the Government going to do about it?

SHRI YASHWANT SINHA: The hon. Member is quite right in saying that the loan repayment liability has increased and it is standing at 30 per cent of the total exports of the country. Now, I am not in a position to say that we will not take commercial loans. Commercial loans are available in the market place internationally and often, not only the Government and the public sector but a large number of private sector companies also go to the international market place, to the international money markets and make

Shri Subramaniam Swamy

The Minister of Commerce and Minister of Law and Justice

Shri Ashoke Kumar Sen

The Minister of Steel and Mines

11.24 hrs.

ORAL ANSWERS TO QUESTIONS —
CONTD.

[English]

Modernisation of IISCO

*22. SHRI HARADHAN ROY: +
SHRI PURNA CHANDRA
MALIK:

Will the Minister of STEEL AND MINES be pleased to state:

borrowings. It all depends on what terms and conditions we get the loan. They do add to our burden but in this difficult situation, I am not at all in a position to assure the hon. Member and this House that India will not look at the possibility of taking commercial loans.

11.23 hrs.

INTRODUCTION OF MINISTERS

[English]

MR. SPEAKER: Before I take up the next Question, I may call upon Mr. Devi Lal to introduce two of the hon. Ministers.

[Translation]

THE DEPUTY PRIME MINISTER AND MINISTER OF AGRICULTURE AND MINISTER OF TOURISM (SHRI DEVI LAL): Mr. Speaker, Sir, though it is not necessary yet I would like to introduce two important members who have been inducted into the cabinet, to the hon. Members of this House;

(a) whether the Union Government have made any progress in the matter of modernisation of Indian Iron and Steel Company Limited (IISCO) at Burnpur;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STEEL AND MINES (SHRI ASHOKE KUMAR SEN): (a) and (b). Yes, Sir. The Government is in the process of finalising the Modernisation Scheme of IISCO. The details will be intimated to the House after the Government's decision is finalised.

(c) Does not arise.

[*Translation*]

SHRI HARADHAN ROY: Mr. Speaker, Sir, the Indian Iron and Steel Company Limited situated at Burnpur was taken over and nationalised 15-16 years ago. At that time an assurance was given about its modernisation, diversification and expansion. But I am sorry to say that nothing has been done in this regard uptill now. We have been hearing for the last 5 years that a Japanese concern or Dastur company would be asked to take up the modernisation work of the said company, but we have no information about any concrete action proposed to be taken by the Government in this regard. Instead we have come to know that this very company is going to be closed due to which there is great resentment among the people. We are not getting any clarification from Government side. (*Interruptions*)

MR. SPEAKER: Please come to your question.

SHRI HARADHAN ROY: I am coming to that. Sir, I, therefore, would like to ask the hon. Minister to state explicitly the time by which this work would start. What is their programme and whether there is any programme at all.

MR. SPEAKER: Haradhan Babu, you are permitted to ask your second question also.

SHRI HARADHAN ROY: It is part 'A' of my question. And in part 'B' I would like to ask him as to what would happen to the 35000 workers of the company, whether they would be regularised or not? And in the part 'C' I would like to ask as to what amount would be invested in that company? This is my first question.

[*English*]

SHRI ASHOKE KUMAR SEN: The Government has been very active. The former Prime Minister, Shri Rajiv Gandhi, himself

initiated action for engaging the Japanese. The report of the Japanese came in 1987 and after that the parameters have been worked out and we are very serious about implementing it, and the *sapasthikaran* is that it will be done. The time schedule depends on the finalization of the scheme.

About the second part of the question, the number of workers is not thirty thousand but twenty-four thousand. The scheme takes into account all their numbers and their proper utilisation. All the unions are cooperating. This is one case where all the unions are cooperating.

[*Translation*]

SHRI HARADHAN ROY: Probably the hon. Minister does not know that in the factory, besides 24000 permanent workers there are other contract workers also. So, he should know that the total number of workers is 35000 approximately.

Secondly, I would like to say that the Burn Standard Company, is another big company of the Central Government, which has refractory units and it had its own captive status. It lost its captive status because it was not modernised and the orders which were to be given to them were not placed. It is on the verge of closure now. Even closure notice has already been pasted on its two units. So, I request the hon. Minister to restore its captive status by taking it under the Ministry of Steel and to look after its interests so that it may not be closed. What are the concrete steps proposed to be taken by the Government.

[*English*]

SHRI ASHOKE KUMAR SEN: The Burn Standard Company is the concern of the Industry Ministry and not of the Steel Ministry. It is a nationalized concern and about that the question should be asked to the proper Ministry.

The second question about contract

labour etc. does not arise out of this question.

SHRI PURNA CHANDRA MALIK: We know that various proposals had been submitted to the previous Government and the National Front Government had already given approval to the proposal of the Dastur Company and sent for the PIB's sanction. I cannot understand why again has arisen the question of finalization. I would like to know what is the real reason behind it. Secondly, what benefits will accrue to the ancillary industries located in Asansol and Durgapur, if modernization programme for IISCO is undertaken?

SHRI ASHOKE KUMAR SEN: Dastur Company's opinion was taken by the last Government, after the report of J.C.C. came, on the question of cost reduction. That is also under consideration and there is no question of approval of the Dastur Company's report. SAIL did not agree with the Dastur Company's report and they made counter suggestions. All this is under consideration.

SHRI P. CHIDAMBARAM: Sir, being a veteran Minister I think Mr. Sen is not giving us full details. I think he is obliged to give the House full details. He admitted that the Report came in 1987. Who was the spirit behind the Report; who spent hours working with this Report and what happened between 1987-90? What happened in 1990? Who scuttled this Report? And, finally, is it true that Mr. Krishnamurthy, the then Chairman of the SAIL was thrown out only because he refused to go along with the then Minister in scuttling the whole report? The Minister must answer these questions. He cannot have sympathy for his erstwhile colleague. Today he is holding the portfolio. He must tell us what happened in 1990; who put it off and why Mr. Krishnamurthy was sacked. Is it true that he was sacked only because he refused to go along with the Minister in scuttling the whole report?

SHRI ASHOKE KUMAR SEN: The Japanese Consultancy Report came in July 1987. In 1989 September, if I remember the

date correctly it was 30th of September, SAIL made an investment proposal on that basis. It is true that at that time Shri Krishnamurthy was the Chairman of the SAIL. He certainly is a reputed entrepreneurial Manager and there is no question of scuttling him at all. If there was any effort to do so, I was not a party to it. It is unfortunate that his services are not available at the present moment.

SHRI P. CHIDAMBARAM: Why was he sacked?

SHRI ASHOKE KUMAR SEN: That I do not know. (*Interruptions*)

MR. SPEAKER: Order please.

SHRI ASHOKE KUMAR SEN: I am very obliged for the answers that are coming but I am not a party to the allegation that we sacked the manager. He is one of our best managers.

PROF. MADHU DANDAVATE: It has been the convention of the House not to discuss officers in this House. This has been a long standing convention.

MR. SPEAKER: I think Mr. Chidambaram knows it.

SHRI BASUDEB ACHARIA: Sir, he has confused everything. The Modernisation of Indian Iron and Steel Company which is one of the oldest steel mills of our country was mentioned in this every House a number of times. So far as I remember, In the month of July in reply to a question on modernisation of IISCO, it was categorically stated by the then steel Minister, Shri Dinesh Goswami.....

SHRI P. CHIDAMBARAM: Who scuttled that proposal.

SHRI BASUDEB ACHARIA: That proposal was not scuttled.

The then Minister stated that modernisation would be finalised by the end

of July, 1990 May I know from the Minister why modernisation was not finalised by the end of July when a categorical assurance was given by the Minister. May I know by when it will be finalised because modernisation of IISCO is pending for the last 4 years? Two plants have been closed down as a result production has been reduced. The plant has incurred a huge loss. May I know from the hon. Minister when this will be finalised? What is the exact position of the modernisation of IISCO? I am asking this because after the Japanese Company have submitted their report, there was some investment to the tune of Rs. 300 crores. May I know from the Minister whether there is any time-bound programme and when exactly this modernisation will be completed?

MR. SPEAKER: Your question is well understood. Please sit down.

SHRI ASHOKE KUMAR SEN: In the maze of this long discourse, the only question that survives is "when are we finalising." The answer is as soon as possible.

MR. SPEAKER: Mr. Janardan Yadav please.

[*Translation*]

SHRIJANARDANYADAV: Mr. Speaker, Sir, the previous Government had assured this House about modernising the Burnpur Iron and Steel Industry. But it is a matter of regret that with the change of Government and Minister the assurances given in this House are also overlooked. So, through you, I would like to know from the hon. Minister as to what steps the present Government is going to take for the modernisation of the Burnpur Iron and Steel Industry.

MR. SPEAKER: It has already been answered.

[*English*]

SHRI SAMARENDRA KUNDU: Mr. Speaker Sir, Shri Ashoke babu our hon. Minister is an astute lawyer. I have seen him

arguing cases in Supreme court..(*Interruptions*)

MR. SPEAKER: Please come to the question.

SHRI SAMARENDRA KUNDU: My pointed question to the hon. Minister is this. If he cannot see the files now, will he recollect whether in this whole game of modernisation there have been allegations of corruption and whether in this modernisation scheme a particular country was assigned the job and global tenders were denied even though the cost quoted by that particular country was four times more? This had happened not in his predecessor's time but during his pre' predecessor's time when Shri Rajiv Gandhi was the Prime Minister. He may find out whether a former minister had any role in it. He may kindly throw some light on these points. Though we are very much interested in the modernisation programme of IISCO, we are also interested about the modernisation of the Rourkela Steel Plant.....

MR. SPEAKER: This question is regarding the Burnpur Steel Plant only. Please take your seat. I will call Mr. Sen to reply to your question.

SHRI ASHOKE KUMAR SEN: I am very glad that this question was put because the entire process of getting the Japanese consultancy started with the former Prime Minister directly talking to the Prime Minister of Japan as a result of which a big consortium of five of the biggest companies of Japan were appointed for drawing up the blueprint of this modernisation of IISCO. We wanted to have one of the best plants in the world. If their report is carried out and with such modifications as may be found are necessary for our purpose, it will give India one of the best plants in the world such as the one we are having in Vizag. For a plant of with the capacity of 2.25 million tonnes of steel, which would reduce the cost of production come to Rs. 3200 crores as from Rs. 6000 per tonne.