

## LOK SABHA DEBATES

### LOK SABHA

Wednesday the 3rd Day of November  
1982/Kartika 12, 1904 (Saka)

The Lok Sabha met at Eleven of  
the Clock

[MR. SPEAKER in the Chair]

### ORAL ANSWER TO QUESTIONS

#### Glut in alloy steel plant products and import of stainless steel

\*332. SHRI NIREN GHOSH: Will  
the Minister of STEEL AND MINES  
be pleased to state:

(a) whether there is glut in alloy  
steel plant products and huge unsold  
stocks are there;

(b) if so, the reasons therefor;

(c) whether 200,000 tonnes of stain-  
less steel has been imported;

(d) if so, the reasons thereof;

(e) whether consumers are getting  
price rebates on stainless steel as a  
result of glut due to import;

(f) whether import of stainless  
steel would be completely stopped;  
and

(g) if not, the reasons therefor?

THE MINISTER OF STATE IN  
THE MINISTRIES OF INDUSTRY  
AND STEEL AND MINES (SHRI-  
MATI RAM DULARI SINHA) :  
(a) and (b). Producers of alloy  
steels are faced with the problem  
of accumulation of stocks because of  
low off-take.

(c) and (d). Import of stainless  
steel is canalised through SAIL and  
MMTC and is also directly permitted  
to actual users and REP licence hold-  
ers. Canalised imports during 1981-  
82 were 9476 tonnes. Data for direct  
imports during 1981-82 onwards is  
not available.

(e) SAIL have offered certain re-  
bates in the form of quantity rebates  
and introductory promotional time  
bound discounts.

(f) and (g). The import policy is  
reviewed and changes are made from  
time to time keeping in view the  
demand and indigenous availability  
of various items.

SHRI NIREN GHOSH: Mr. Speaker  
Sir, the reply is quite misleading.  
This is because I might inform that  
the Minister, Shri Tiwari, has already  
written to me that the rate of effec-  
tive duty on import of stainless steel  
has been increased from 75 per cent  
to 30 per cent. He has thus recog-  
nised the gravity of the situation.  
Why should not the Government im-  
pose 100 per cent duty on it? The  
country can, more or less, deal with  
the demand whatever it is there.  
Further, if the demand increases, as  
it is likely to increase, there lies the  
greatest possible scandal. The Alloy  
Steel Plant was originally conceived  
to produce thin sheets of stainless  
steel. Let him bear me out. Origin-  
ally, the investment was made and  
the mills were kept idle. Then it  
was a half-way house plant only pro-  
ducing slabs. Slabs are then sent  
to Bokaro to be transformed into  
coils and then sent to Salem to be  
transformed into stainless steel thin  
sheets. Whereas all the necessary  
investments were made in the origi-  
nal ASP Plant there, even now these  
facilities have not been utilised, nor

were the necessary equipment installed though there was planning for these there. So, up till now on this account the country has lost at least Rs. 2,000/- crores in this mad Planning. Therefore, I would ask the Hon. Minister whether the import of stainless steel will be completely stopped, whether the alloy steel plant will be updated to produce thin sheets of steel in order to meet the expanding demand; and whether this sort of mad planning in future would not be resorted to entailing the country huge losses, not merely of one or two crores, but of thousands and thousands of crores of rupee?

**THE MINISTER OF INDUSTRY AND STEEL AND MINES (SHRI NARAYAN DATT TIWARI):** We would have very much liked not to import any special steel items, but the Hon. Member would agree that there are many stainless steel items, special steel items, alloy steel items which have to be imported because these are not indigenously manufactured and we do not have the capacity to manufacture them. It happens the world over, because within the present stage of technology in the form of special steels, it is inevitable. For example, for the high-speed steel non-cobalt grade below 6 m.m. and above 100 m.m. dia, we have to permit it under OGL so that the industries do not suffer. So, it is not that the Government is not aware of the problem. We had exactly focussed our answer to the question framed by the Hon. Member. And as he has himself mentioned, we have taken steps recently by which Customs Tariff Act was amended in April 1982 to provide for a statutory duty of 330 per cent for import of steel in all forms. Then again, as he correctly said, the import duty on alloy steel has been increased from 60 per cent to 85 per cent with effect from 20th August, 1982. Similarly, high speed steel non-cobalt grade above 40 m.m. dia to 100 m.m. dia has been included in the list of limited permissible items in Appendix 6 from OGL In-

stead of the Open General Licence, it has been transferred to the list of limited permissible items. So, I think we have taken adequate steps.

Capacity utilisation, of course, depends on the supply of power also. And the Hon. Member knows that there had been constraint in regard to power supply etc. Therefore, it has affected full capacity utilisation.

**SHRI NIREN GHOSH:** Mr. Speaker, Sir, the Hon. Minister is misleading the House in bits. He talks of power shortage, but he on the other hand admits that ASP is burdened with a glut of products. These two do not tally. Even if there is power shortage, it is not to such an extent that the ASP is now burdened with a glut of products, unsold products and there are huge losses and that is why he has been compelled to raise the import duty.

The ASP was established along with the DSP in the first Five-Year Plan period. More than twentyfive years have gone by. It was originally scheduled to produce the entire thing from slab to coil to stainless steel sheets. Now he says there is need for constant improvement in technology. But the question is was the Government sleeping a Kumbhakarna sleep all these years so that they could not upgrade the technology and could not utilise the plant? I say this because some X General Manager of ASP told this to me confidentially and privately. So, I will not name him. But the Minister should know that I am thoroughly in the know of the subject. I am not a novice. So, he may kindly answer this question.

**SHRI NARAYAN DATT TIWARI:** I would like to slightly update the information of the hon. Member. Kumbharkarna's effigy has already been burnt, and we have already celebrated Vijaya Dasami.

**DR. SUBRAMANIAM SWAMY :**

This is a secular Government. You cannot quote Kumbhakarna.

**SHRI NARAYAN DATT TIWARI:**

We are as secular as we could be.

As far as the Alloy Steel Plant's capacity is concerned, the hon. Member will be happy to know—perhaps he know—that the second stage expansion of the Alloy Steel Plant, Durgapur has already been sanctioned in 1981, for increasing the ingot steel capacity from 160,000 tonnes to 204,000 tonnes, with an estimated cost of Rs. 65.98 crores. And in this second phase expansion we are taking steps for improving the economic viability of the steel plant, updating the technology of the plant and providing an indigenous supply source for hot-rolled stainless steel bands for the Salem Steel Plant. So, we are taking care of the fact mentioned by the hon. Member, in the second phase expansion.

**SHRI S. T. QUADRI:** The Minister, in his reply, has mentioned that there is glut in the market for alloy steels. It does not pertain only to the Alloy Steel Plant, Durgapur. It pertains to all the alloy steel producers in the country. Last year, i.e. on 29th April 1981, faulty import policy decisions were taken, whereunder there was no control whatsoever on the alloy steel imported in the country. I had demanded the details on many occasions, i.e. about the quantity of alloy steels and stainless steels imported in the country under the OGL. Till now, I have not got any reply. In view of the Salem Steel Plant suffering, as also the other steel producers, will the hon. Minister categorically state whether there will be a total ban on the import of stainless steels and alloy steels in the country, where there is production capacity?

**SHRI NARAYAN DATT TIWARI:** I have not accepted that there is a glut. I have only used the term 'accumulation'; and there is a difference. (*Interruptions*)

**SHRI SOMNATH CHATTERJEE:**

What is the extent of accumulation? (*Interruptions*) This is the madness.

**MR SPEAKER:** Upto a point, it does not become a glut.

**SHRI NARAYAN DATT TIWARI:**

I have used the word 'accumulation', and not 'glut'. As far as total stocks go, we have mentioned that out of a total production of alloy steel in the country, of 4,93,290 tonnes, the public sector accounts for 113,000 tonnes. And according to the figure supplied by the Iron and Steel Controller, the total stocks of alloy, including public sector and private sector, were about 44,832 tonnes.

As regards imports, we have the figures available from the Director General of Commercial Intelligence and Statistics only upto August 1980, because the figures take time to be processed there, and to reach there. The total imports of stainless steel during 1980-81 were 28,447 tonnes. We have tried to streamline this data processing machinery. Now we have asked of them, that each and every import should be registered with the statistical authorities. So, we shall now have a more comprehensive and timely data.

#### Discharge of effluents by Industrial units into Jamuna

\*333. **SHRI RAJNATH SONKAR SHASTRI:**

**SHRI G. NARSIMHA REDDY:**

Will the PRIME MINISTER be pleased to state:

(a) the details of the industrial units which have been directed by the Court to stop discharging effluents into Jamuna by November 30, 1982; and