

# LOK SABHA DEBATES

## LOK SABHA

Wednesday, August 29, 1973/Bhadra  
7, 1993 (96)k

The Lok Sabha met at Eleven of the

Clock

[Mr. SPEAKER in the Chair]

### ORAL ANSWERS TO QUESTIONS

#### ISSUE OF LICENCES TO PRIVATE PARTIES FOR PRODUCTION OF CEMENT

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\*481. SHRI SHYAMNANDAN  
MISHRA:

SHRI JYOTIRMOY BOSU:

Will the Minister of INDUSTRIAL  
DEVELOPMENT AND SCIENCE  
AND TECHNOLOGY be pleased to  
state:

(a) whether it is a fact that decision to grant licence for production of 8 million tonnes of cement in the private sector has been taken and licences for a capacity of 8 million tonnes have already been issued;

(b) if so, the parties to whom the licences have been issued and their shares in the licences separately;

(c) what proportions of the present capacity are being owned by these parties; and

(d) whether the cases of these licences had been referred to the Monopolies and Restrictive Trade Practices Commission and if so, their comments?

THE DEPUTY MINISTER IN THE  
MINISTRY OF INDUSTRIAL DEVELOPMENT  
(SHRI PRANAB KUMAR  
MUKHERJEE): (a) to (d). A statement is laid on the Table of the House.

#### Statement

(a) The present capacity of cement industry is 197.6 lakh tonnes while the demand at the end of the 5th Plan is estimated at about 280 lakh tonnes calling for an installed capacity of about 350 lakh tonnes, on the basis of 85 per cent utilisation of capacity. This would mean that an additional capacity of about 133 lakh tonnes will have to be created by the end of 5th Plan. As a result of various steps taken, it is expected that a capacity of about 29.8 lakh tonnes will be put up in the Central Public Sector by the Cement Corporation of India and about 30 lakh tonnes in the State Sector by State Industrial Development Corporations etc. An additional capacity of over 70 lakh tonnes is proposed to be created in the Private Sector to cope with the anticipated demand by the end of 5th Plan. Licences and Letters of Intent for a capacity of 82.1 lakh tonnes have been issued to the private parties.

(b) and (c). Position is stated in Statements I and II laid on the Table of the House. [Placed in Library. See No. LT-3598/73].

(d) Clearance under MRTP Act wherever necessary was obtained. None of these cases was, however, referred to M.R.T.P. Commission.

SHRI SHYAMNANDAN MISHRA:  
How many of these expansion schemes of big business houses were

rejected earlier by the Cabinet—the Government—on the plea that this industry was an easy one and that new entrepreneurs could come in? If so, what led to the change in the attitude of the Government's lifting the ban on the big houses?

**SHRI PRANAB KUMAR MUKHERJEE:** Sir, the names of the companies mentioned in the Annexure were the pending applications which were rejected earlier by the Cabinet Committee on Economic Coordination as it was thought that cement was an easy industry in which the private sector entrepreneurs other than larger houses should come in this sector. But, Sir, it was found that during these years, the private sector other than the larger houses did not come up in this industry mainly because of the reasons that it is a highly capital-intensive industry with a long gestation period and with a low rate of return. Because of these reasons, the Government revised its decision and applications were cleared which were earlier rejected.

**SHRI SHYAMNANDAN MISHRA:** My question has not been answered. My question was: how many cases were earlier rejected by the Government on the plea that this was an easy industry and that new entrepreneurs could come in. How many of them are rejected earlier?

**SHRI PRANAB KUMAR MUKHERJEE:** I have already answered that all of them were rejected.

**SHRI SHYAMNANDAN MISHRA:** My second question is this. Is it not a fact that with the inavastible resources available to the private sector being minimal they would not be able to find about Rs. 380 crores or so that would be required? Has the Ministry indicated the sources of the finances that would be available to the private sector for implementing their schemes?

**SHRI PRANAB KUMAR MUKHERJEE:** They will have assistance from the financial institutions and other agencies which render financial assistance. Moreover, some of those units are substantially expanding their existing units. And it is known that cost of expansion per unit is much less than the cost per unit in new undertaking.

**SHRI SHYAMNANDAN MISHRA:** Are not the resources with the private sector minimal and if so how are they going to be made available? If only Rs. 5 crores are available the rest of about Rs. 380 crores or so are to be provided for by various financial institutions.

**THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM):** They have applied on the basis that they have got ample resources. In many cases they take assistance from the existing financial institutions also. Letters of intent have been issued. All these things will be sorted out when they come up with positive proposals.

**MR. SPEAKER:** Shri Jyotirmoy Bosu—absent. It is very unusual. Shri R. S. Pandey

**SHRI R. S. PANDEY:** With regard to establishment of cement industries and indigenous production, since Mr. Subramaniam is keen to introduce joint venture may I know whether he has taken into consideration the question of the scarcity of cement in the country as a whole and whether it has gone into the black market? In order to see that the scarcity is reduced and production comes up more and more, are you going to introduce the issue of licences to the States, to the Public Sector units etc. in order to see that production is increased in the Fifth Plan so that there is no blackmarket in cement?

**SHRI PRANAB KUMAR MUKHERJEE:** Letters of intent were issued to a number of state industrial development corporations and they themselves in their turn may enter into some joint sector with different parties. Various measures are being taken to increase the production of cement in the country. It is known to the hon. Member that there are various factors including the power cut which have contributed to decreased cement production which was beyond our expectations.

**SHRI JAGANNATH RAO:** He has stated that MRTP Commission goes into it; recently the Chairman of MRTP Commission stated that all cases are not referred to them but that the department itself disposes of certain cases. If they are referred to the Commission, objective assessment could be made. May I know from him what are the criteria for referring them to the Commission? What are the cases which the Department itself decides?

**SHRI C SUBRAMANIAM:** I would request him to put a question to Company Affairs Ministry who deal with MRTP Commission.

**SHRI INDRAJIT GUPTA:** He said this was an industry having low returns. In the case of commodity which is in short supply as is known to everybody how Government is of opinion that there are low returns in this industry when this very commodity is in such great demand throughout the country and is vital to the entire nation? In respect of large houses which have applied and which have been given either letters of intent or licences, how many have applied for expansion of existing units? How many have applied for altogether?

**SHRI C. SUBRAMANIAM:** Many of them are expansion cases. Some of them are new units. If he wants the figure, I will give a little later. I may tell him that preference is given for

expansion as it is more economical. First preference is given to expansion cases. Second preference is given to utilisation of slag, because slag is going waste now. The hon. Member knows that prices are controlled and if it is blackmarket, it does not go either to the company or to the consumer but it is the middleman who makes profits. This is another source of generation of black money and that is why all these questions have been referred now to the Tariff Commission. That Commission is looking into it. But, now, the A.C.C. which is supposed to be the most efficient, at the present price level, are losing, I am told, at the level of one lakh a day.

उत्तर प्रदेश में कानून और व्यवस्था की स्थिति

+ 482. श्री छिन्न कुमार झास्त्री : क्या गृह मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या उत्तर प्रदेश में राष्ट्रपति शासन लागू होने के बाद कानून और व्यवस्था की स्थिति में सुधार हुआ है;

(ख) क्या सरकार का विचार उत्तर राज्य में कानून और व्यवस्था की स्थिति में सुधार करने के विचार से पुलिस प्रशासन में भी कुछ मामूली परिवर्तन करने का है; और

(ग) यदि हाँ, तो इस सम्बन्ध में कब तक निर्णय कर लिया जायेगा?

गृह मंत्रालय में राज्य मंत्री (श्री कृष्ण चन्द्र शर्मा) : (क) जी हाँ, बी. एम्. ।

(ख) और (ग). उत्तर प्रदेश सरकार पुलिस बल की कार्यकुशलता तथा कार्यक्षमता में सुधार करने के लिये प्रांतीय सशस्त्र पुलिस बल तथा मासुचना शाखा का पुनर्गठन कर रही है। प्रांतीय सशस्त्र