

Production achieved :

1982—	2.92 lakhs tonnes.
1983—	3.65 „ „
1984—	3.56 „ „

Like that I have got the figures of production and I can furnish that information to the hon. Member.

[*Translation*]

**SHRI MOOL CHAND DAGA :** Mr. Speaker, Sir, the reply given by the hon. Minister is incorrect. Will the hon. Minister please state whether the cement Corporation of India have decided to set up a cement factory in Bundi? If so, when such a decision was taken and why this factory has not been set up so far? Even the land has been acquired there. Also please tell who is responsible for it. Neither do they work themselves nor do they let others work there.

**SHRI ARIF MOHAMMAD KHAN :** Sir, this question is about Jaisalmer district.

**SHRI MOOL CHAND DAGA :** The Cement Corporation of India has acquired land in Bundi. When was the decision to set up a cement factory in Bundi taken? First of all you tell us whether a decision was taken or not. If taken, why these factories were not set up and if the factories have not been set up why don't you release the land?

**SHRI ARIF MOHAMMAD KHAN :** Sir, as I have already told this question relates to Jaisalmer district and is about lime-stone.

[*English*]

**SHRI MOOL CHAND DAGA :** He has not answered my question Sir.

**SHRI VEERENDRA PATIL :** Sir, with regard to setting up a plant at Shambupura and also at Bundi, the Cement Corporation of India was toying with the idea of setting up their own units, but because of resource constraint, they are not in a position to go ahead with that. Sir, the Government has given letter of intent to M/s. J. K. Synthetics Ltd. to set up a cement plant at Shambupura with an annual capacity of six lakh tonnes of cement. So far as the other cement

project at Bundi is concerned, I understand from the Cement Corporation that lime-stone reserves available in this area are of marginal quality and not adequate to sustain a million tonne plant.

[*Translation*]

**SHRI RAM SINGH YADAV :** I want to know from the hon. Minister, as has also been asked in Part (a) of the question, what is the quantum of Lime-stone—the raw material for producing Cement—reserves in Rajasthan and whether applications for setting up of cement factories have been received in that proportion, if so, whether these applications will be considered? What is the number of such applications which have not been given approval?

**MR. SPEAKER :** It has already been replied that they are calling for it.

**SHRI RAM SINGH YADAV :** Mr. Speaker, Sir, they are not doing it. The Hon. Prime Minister has himself seen recently how grave the unemployment problem is and to remove this unemployment, it is necessary to set up such industries. Will Government give approval to the setting up of such cement factories after paying it due consideration?

[*English*]

**SHRI VEERENDRA PATIL :** Sir, I have got the figures. It is true that Rajasthan has got huge deposits of limestone. As my colleague has already stated, 800 million tonnes of lime-stone deposits are there. So, when the deposits are there, Government has been very liberal in giving letters of intent and Licences. I have got the figures to show that Rajasthan accounts for 11.37 per cent of the existing capacity of 43.42 million tonnes. A lot of cement factories have already come up there and for many more cement factories, letters of intent and licences have been given.

#### **Production in Excess of Capacity by Modi Group of Industries**

\*391. **SHRI VIJAY KUMAR MISHRA :** Will the Minister of INDUSTRY AND COMPANY AFFAIRS be pleased to state

(a) whether Modi Group of Industries, Modi Nagar (U. P.) has exceeded the installed production capacity in the years 1980 to 1984 in respect of industries under the charge of his Ministry ;

(b) if so, to what extent the production has been in excess of the installed capacity ; and

(c) the action taken against the group of companies violating the Government orders ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY AND COMPANY AFFAIRS AND IN THE MINISTRY OF HOME AFFAIRS (SHRI ARIF MOHAMMAD KHAN) : (a) to (c) A statement is given below.

#### Statement

(a) So far as industries under the charge of Ministry of Industry are concerned, M/s Modi Paints and Varnish Works, Modi Nagar, a company belonging to Modi Group of Industries, produced more than their licensed capacity for the manufacture of Synthetic Resins.

(b) M/s Modi Paints and Varnish Works has a captive licensed capacity of 36 MTs of Synthetic Resins per annum required for production of paints. However, the actual production of Synthetic Resins during the years 1981, 1982, 1983 and 1984 was 179 MTs, 283 MTs, 373 MTs, and 1010 MTs, respectively.

(c) The company were asked to bring down their excess production to the level of licensed capacity. They have not complied with the direction issued to them and were instead trying to regularise the excess capacity by obtaining a licence for effecting substantial expansion. Subsequently, in April, 1985, the company took a stand that since Resins, which they are manufacturing, are for their captive consumption in the manufacture of paints and enamels, they do not require any permission/licence for their manufacture in terms of Explanation No. 2 read with reference to item No. 19(v) of the First Schedule to the Industries (Development and Regulation) Act, 1951 as the paint units are not required to take a separate licence for production of resins/medium used as intermediary products required for captive

consumption. This contention of the party is being examined. No final decision has, therefore, been taken yet in the matter of excess production.

#### [Translation]

SHRI VIJAY KUMAR MISHRA : Mr. Speaker, Sir, during the last four years, the Modi Company produced 2000 tonnes as against the licensed capacity of 142 tonnes. I want to know when did this fact come to the knowledge of the Government ?

SHRI ARIF MOHAMMAD KHAN : The moment they exceeded the licensed capacity as the balance sheet of that particular year effected the fact that the production had exceeded the licensed capacity. The question that it came to the knowledge of Government years later does not arise. As has been stated in the reply, the company was repeatedly asked to produce within the licensed capacity. Against this, the company has filed a representation and in April, 1985 the Company has taken this stand—

#### [English]

“The company took a stand that since the resins which they are manufacturing are for their captive consumption in the manufacture of paints and enamels, they did not require any permission licence for their manufacture in terms of Explanation No. 2 read with reference item No. 19(V) of the First Schedule to the Industries (Development and Regulation) Act, 1951 as the paint units are not required to take a separate licence for production of resins medium used as intermediary products required for captive consumption.”

The contention of the party is being examined and as I have already stated, no final decision has been taken on this stand which the company has taken.

#### [Translation]

SHRI VIJAY KUMAR MISHRA : The hon. Minister says that the Modis did not require the permission. I want to know why licence for 36 tonnes was given when it was not required ?

**SHRI ARIF MOHAMMAD KHAN :** I am not saying that it was not required. I have told you that as soon as we came to know that this company was producing more than the licensed capacity, we told them that they should not have done it. We had issued them the directive that they should produce according to the licensed capacity. It was after the issue of this directive that the company took this stand, although they had obtained licence earlier. Now they have submitted a memorandum ; we shall have to examine it. After they took this stand, we are getting it examined ; no final decision has so far been taken in the matter.

[English]

**SHRI S. JAIPAL REDDY :** Sir, from the answer it can be seen that during the last four years they have been over-shooting their licensed capacity. In 1981 they over-shot the capacity by 500%, in 1982 by 900%, in 1983 by 1000% and in 1984 by 3,000%. It was only in April, 1985 that they submitted an explanation which was more an afterthought than anything else. So, I would like to know why the Government did not take any act on during the last four years. Secondly may I know whether the Government is convinced that this synthetic resin produced during the last four years was utilised merely for the captive consumption of Modi company or whether the same was sold in the market ?

**THE MINISTER OF CHEMICALS AND FERTILIZERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VEERENDRA PATIL) :** Sir, it is true that they are manufacturing much more than the licensed capacity and since 1980 they have been approaching the Government for regularisation. They have been taking a stand that whatever they are manufacturing —this synthetic resin — they are manufacturing for their captive consumption and according to the manufacturing company it is not a raw-material but an intermediate ; since it is an intermediate no separate licence is required. Therefore, they are approaching and requesting the Government to regularise. The contention from the Government side is that it is raw-material. This is being examined. If it is an intermediate then the question of regularisation will arise. If it is a raw-material then they have to make an application and get a separate licence.

**SHRI S. JAIPAL REDDY :** Sir, no part of my question has been answered. The first question I put was why in the last four years when they over-shot the target by 3000% no action was taken by the Government. Secondly I wanted to know whether the Government is convinced that the material which was produced was utilised only by the Modi companies for their captive consumption ?

**SHRI VEERENDRA PATIL :** Sir, I made it very clear that they approached the Government in 1980 itself. It is not that they are producing without the knowledge of the Government. It is with the knowledge of the Government.

**SHRI S. JAIPAL REDDY :** It is still worse. Then why has the Government not taken any action in the last four years ?

**PROF. MADHU DANDAVATE :** Sir, his clarification has made the problem from bad to worse.

**SHRI VEERENDRA PATIL :** Sir, they have approached the Government for regularisation. In that application, they have made it clear that they are producing it not for marketing it outside, but for their own captive consumption. Whatever they are producing, the entire quantity is being utilised for their captive consumption. So, they wanted regularisation and the stand that is being taken by the company is that it is an intermediate and since it is an intermediate, no separate licence is required ; only regularisation is adequate. That matter is being examined and once we take a decision whether it is an intermediate or a raw material, then it becomes easy for us to take further action.

**PROF. K. K. TEWARY :** Sir, it is really astounding that Government has taken four years to examine it to find out what it is and the reply is absolutely unsatisfactory and they are creating holes in the reply. Therefore, I request you to allow half-an-hour discussion on this subject. It is a very important subject.

**MR. SPEAKER :** Where shall we find time for that ? I can't create time. So, you better put your question and get over it

PROF. MADHU DANDAVATE : Sir, instead of trying to find fresh time, give the direction to the Minister to give a correct reply and that is more than sufficient. From 1980, why did they take so much time ?

SHRI S. JAIPAL REDDY ; Whatever it may be, why have they taken so long a time for examining it ?

PROF. MADHU DANDAVATE : They have taken cognisance of 'Modification' of expansion.

SHRI VEERENDRA PATIL : I have been saying that since 1980 this has been examined at different times. The Task Force also went into this question and they took a decision.

MR. SPEAKER ; Now, expedite the process and get the decision at the earliest.

PROF. K. K. TEWARY : Sir, let there be an enquiry into this.

MR. SPEAKER : Now, we have asked him to do it and he will do it.

SHRI PRIYA RANJAN DAS MUNSI : Let the report be placed on the Table of the House in the next session.

MR. SPEAKER : He will look into it. He is going to take a complete look into it and we have already asked him to do it.

PROF. MADHU DANDAVATE : Sir, the Modi Industries are known for their irregularities. This is not the first time that the irregularities of Modi Industries have come up before this House. Repeatedly no cognisance has been taken of these.

PROF. K. K. TEWARY : They are very notorious for this. Let us have an enquiry into this.

MR. SPEAKER : We have asked the hon. Minister to look into this. He will look into this.

SHRI BHAGWAT JHA AZAD : Sir, this is a simple question which has not been replied to. Whatever enquiry might be there, he wants to know only this much. Since 1980, Government also admits, they

are doing this. In four years, what did the Government do ? Would they say that they did not enquire into this matter in four years ? And every time they increased the capacity ; - it was increased to 3,000 times. How did it happen ? This is what we want to know.

SHRI VEERENDRA PATIL : Since 1980, at different times, by different organisations, this matter has been examined. But I agree with the hon. Members that sufficient time has been taken for final decision and since the Members are agitated, I want to assure the hon. Members that within a month's time, I will myself discuss this with all the concerned officers and take a final decision.

#### Production of Explosives

\*392. SHRI HAFIZ MOHD. SIDDIQ : Will the Minister of INDUSTRY AND COMPANY AFFAIRS be pleased to state :

(a) how much explosive was produced manufactured in the country during 1984-85 and how it was used, and what are the details thereof ;

(b) whether the Explosives Department ensures compliance of the provisions of the Explosives Act and Rules made thereunder ; and

(c) if so, how and what are the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY AND COMPANY AFFAIRS AND IN THE MINISTRY OF HOME AFFAIRS (SHRI ARIF MOHAMMAD KHAN) : (a) to (c) A statement is given below.

#### Statement

(a) Production of high explosives, category-wise during 1984-85, is as follows :-

Name of the explosives	Production
High explosives	84,646.37 tonnes
Detonators	213.10 million Nos.
Detonating fuse	19.68 million metres.
Safety fuse	45.947 million metres.