

RAJYA SABHA

Monday, the 30th March, 1970/the 9th
Chaitra, 1892 (Saka)

The House met at eleven of the clock,
Mr. CHAIRMAN in the Chair.

ORAL ANSWERS TO QUESTIONS

METALLURGICAL DESIGN INSTITUTE

*626. DR. SALIG RAM :

SHRI KRISHAN KANT† :

Will the Minister of STEEL AND
HEAVY ENGINEERING be pleased to
state :

(a) whether Government have any proposal under consideration to set up a new Metallurgical Design Institute with the assistance of the Soviet Union and

(b) if so, the details thereof?

THE MINISTER OF STATE IN
THE MINISTRY OF STEEL AND
HEAVY ENGINEERING (SHRI K. C.
PANT) : (a) No, Sir.

(b) Does not arise.

SHRI KRISHAN KANT : May I know, Sir, whether such a proposal for a design institute was ever mooted by the Russians and, if so, on what considerations was it dropped?

SHRI K. C. PANT : At an earlier stage, I think, in 1966, an agreement was entered into with the Tyajpromexport of the Soviet Union and under that it was proposed to set up an institute, but later on it was our thinking that we would like to strengthen the Central Engineering Designs Bureau of Hindustan Steel Limited rather than set up a new institute. We would not like to set up a monolithic institute, but would like to be free to draw our technical know-how from all sources. Therefore, instead of setting up an institute we decided to draw on the technical know-how of the Soviet Union by strengthening the CEDB.

SHRI KRISHAN KANT : May I know what is the present arrangement for getting technical know-how for our

Central Engineering Designs Bureau and will the Government assure us that after a certain period of time we will be self-sufficient to take on the building up of any new steel plants and design them? When will we reach the take-off stage without any foreign help?

SHRI K. C. PANT : The present arrangements for technical collaboration which have been entered into by the CEDB cover the agreement to which I referred just now with the Tyajpromexport of the Soviet Union. Also, there is an agreement with an American Company, the United Engineering Company, for know-how with regard to the designing of rolling mills. Apart from that, there is an understanding with the German firm of Ottos with regard to coke ovens. The CEDB is also negotiating with the Foists of Austria with regard to the LD converter. This is the arrangement that is being envisaged. The hon. Member is perfectly right that the object of all these arrangements and all these agreements and contracts is to make this country and the CEDB self-reliant in the matter of designing and engineering new steel plants.

SHRI AKBAR ALI KHAN : Is it for any period ?

SHRI K. C. PANT : Yes.

SHRI A. D. MANI : With reference to the question of my hon. friend, Mr. Krishan Kant, may I ask the Minister to tell us in very frank terms whether we have the personnel capacity in our steel plants for metallurgical designs and whether there is any co-operation arrangement with the Tata Iron and Steel Company and the Indian Iron and Steel Company in regard to metallurgical designs? The latter two must be having metallurgical design departments of their own. Is there any exchange of information on this subject or does the Government allow the private sector to function in a strictly limited private capacity?

SHRI K. C. PANT : The object of these agreements is to fill in the gaps...

SHRI A. D. MANI : I am not asking that, but I am asking you about the personnel capacity.

SHRI K. C. PANT : Now, personnel capacity is a wide term. There are experts in the country, in the private sector as well as in the public sector,

†The question was actually asked on the floor of the House by Shri Krishan Kant.

but if I may elaborate a little this is with regard to consultancy arrangements. It is not with regard to production. Suppose we want to go in for a new steel plant. In the past we have always had to rely upon foreign consultants. Now, we have set up our own machine-building capacity. In order to utilise that properly we need our own consultants who will design according to the capacity available in the machine-fabrication units. In regard to these consultancy arrangements while there may be know-how in the country to prepare detailed project reports and so on there is a gap with regard to designing the complexes constituting the steel plant like the blast furnace, coke oven and so on. It is primarily to fill this gap that these arrangements have been entered into. There is also a gap with regard to the designing of equipment and that is being filled.

SHRI A. D. MANI : With regard to co-operation with the Tata Iron and Steel Company and the Indian Iron and Steel Company, I want to know how you function.

SHRI K. C. PANT : With regard to consultancy arrangements we are trying to strengthen this particular organisation of the HSL. The Tatas do not have any such consultancy organisation, as far as I know, nor IISCO. There is Dastur and Company, one private company, which is a good consultancy company. We have been encouraging them and if other consultants are there in the field we shall certainly utilise Indian technical know-how, wherever it is available.

SHRI NIREN GHOSH : I would like to know the total amount, during the last ten years, on account of technical know-how, that has been sent out of India. There are reports in the press that there is no precise figure, but hundreds of crores in hard currency have gone out. Secondly, I would like to know whether there is duplication of foreign know-how, whether it is a fact that one process or know-how is imported by many firms. It is a sort of defrauding the country. May I know whether it is going on? I would also like to know whether with regard to the steel plants that have been set up, the Soviets have imparted us the full technical know-how, so that we can stand on our own feet. What have the Germans and the Britishers done in this regard to impart full technical know-how, so that Indians themselves can do it on their own?

SHRI K. C. PANT : As I mentioned earlier, the steel plants that have been set up so far in the country were set up on a turn-key basis. Foreign consultants were appointed not only for the preparation of the detailed project report, but also for the selection of processes, for advice regarding the product mix, for advice regarding the selection of plant and equipment, for supervision, direction commissioning and so on. The whole thing was done under the umbrella of foreign consultants. In Bokaro there has been some change. Indian consultants have also been associated and the equipment has been fabricated partly within the country. So, the whole arrangement after Bokaro stage I has shifted and in future we are not going to appoint foreign consultants. As the problem arises, we will appoint Indian consultants, so that the object, which my hon. friends have in mind, can be achieved.

SHRI NIREN GHOSH : He did not answer my question. I wanted to know the total amount of foreign exchange in hard currency spent on foreign technical know-how during the last decade, how much money has been sent out of India in hard currency, whether there is duplication of foreign technical know-how. Obsolete foreign technical know-how is imported and there is duplication, which is a sort of fraud.

MR. CHAIRMAN : Can you give the answer ?

SHRI K. C. PANT : I do not have the figures now.

UTILISATION OF FOREIGN TECHNICAL KNOW-HOW

*627. **SHRI M. P. BHARGAVA :** Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state :

(a) the machinery for finalising the terms for utilisation of foreign technical know-how in the country;

(b) whether any performance norms have been laid down;

(c) whether any penalty clauses are incorporated in the agreements for failure of guaranteed performance; and

(d) whether there have been any cases where action has been taken against failure of foreign technical know-how?