

## RAJYA SABHA

Thursday, the 18th November, 1965]  
the 27th Kartika, 1887 (Saka)

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

### ORAL ANSWERS TO QUESTIONS

#### SETTING UP OF SHAFT KILN PLANTS

\*294. SHRI M. P. BHARGAVA: Will the Minister of INDUSTRY AND SUPPLY be pleased to refer to the reply given to Unstarred Question No. 288 in the Rajya Sabha on the 14 August, 1965 and state:

(a) whether any decision has since been taken on the proposal of the Regional Research Laboratory at Jorhat for setting up of shaft kiln plants with a capacity of 20 to 30 tonnes per day;

(b) where would these plants be fabricated; and

(c) what would be the estimated cost thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRY AND SUPPLY (SHRI BIBUDHENDRA MISRA): (a) to (c). The Regional Research Laboratory, Jorhat (Assam), of the Council of Scientific and Industrial Research has recently installed a locally-fabricated shaft kiln cement plant with a daily capacity of 30 tonnes on an experimental basis. The cost estimate for the establishment of this plant has been indicated as Rs. 22 lakhs. Based on this and the actual performance of this plant for some time, it is for the individual entrepreneurs to satisfy themselves about its economic viability and come forward to put up such plants elsewhere. No such proposal has so far been submitted.

SHRI M. P. BHARGAVA: May I know from the hon. Minister whether the entire economics of the plant have been worked out and whether it will be economical enough to produce kilns from this plant?

SHRI BIBUDHENDRA MISRA: It would be difficult for the time being to say whether it would be economically viable because it has not been experimented so far. But the Jorhat Laboratory people have worked out the economics and they say that it will be economical. Only after the experiment the position will be known.

SHRI M. P. BHARGAVA: May I know whether the Jorhat Laboratory have sent any report about the working of this plant and the economics entailed therein?

SHRI BIBUDHENDRA MISRA: They sent a report about the economics of course but about its working, Madam, it has recently been installed and no report has been received.

SHRI M. P. BHARGAVA: May I know whether any foreign exchange components are involved in the fabricating of this plant?

SHRI BIBUDHENDRA MISRA: It is entirely indigenous. This is the first experiment.

#### EXPANSION OF TISCO

\*295. SHRI A. D. MANI: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the Tata Iron and Steel Company, have informed Government that they are having serious Madam it has recently been installed for the expansion of their plant; and

(b) whether they have asked for any special assistance from Government in regard to the raising of capital for their enterprise?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL AND MINES (SHRI P. C. SETHI): (a) and (b). The possibilities of expansion of M/s. Tata Iron & Steel Co. Ltd., to 4 million tonnes ingot steel capacity is at present under consideration. In this context, the Company have represented, to the Government that if the expansion proposal is to be implemented, it will be necessary to assure availability of funds—both external and internal—and other facilities like transport and power and that for some of their fund requirements they may have to depend on Government institutional finance. These matters will be considered and settled only after the project report *cum* feasibility study for the expansion, which is at present under preparation, is available.

SHRI A. D. MANI: Madam, is it a fact that they have written to the Government that they would like the managing agency which is due to expire in 1970 to be continued as they feel that unless there is some such assurance from the Government, it would not be possible for them to raise the necessary capital?

SHRI N. SANJIVA REDDY: No, Sir. Neither it was posed by them nor did the Government give any guarantee.

SHRI A. D. MANI: Is it a fact that the capital that is required in the rupee market is of the order of Rs. 125 crores and TISCO have sought an assurance from the Government that if there is any shortfall in respect of the accumulation of capital for this project, Government would make good the shortfall and give a guaranteed interest on the capital raised?

SHRI N. SANJIVA REDDY: No, Madam. For a 3-million ton expansion the estimated cost is round about Rs. 170 crores and for 4 million tons it is supposed to be Rs. 230 crores and it is difficult to raise this huge amount, but they are attempting to do that. They did not ask for any

guarantee from the Government. If and when necessary, after the project report is written, if it is possible, considering our own expansion schemes and new plants, Government will take a decision at that stage, not now.

श्री रामकुमार भुवालका : क्या माननीय मन्त्री जी बतलायेंगे कि टाटा में कितना प्रोडक्शन होता है और उसके एक्सपेंशन का काम कब तक पूरा हो जायेगा ?

SHRI N. SANJIVA REDDY: At present there is a 2-million-ton project and I do not know when the expansion will take place. They are attempting to book 3 million tons in the Fourth Plan.

SHRI P. K. KUMARAN: The Government of India had earlier advanced some loans to the Tatas. May I know whether they have repaid those loans or whether those loans have been converted into equity shares in accordance with the legislation which we passed last year?

SHRI N. SANJIVA REDDY: This is entirely a different question but still I will answer it. TISCO has taken a loan of Rs. 10 crores; some negotiations are going on; we have to come to terms with TISCO. TISCO has almost agreed to the proposal to repay immediately Rs. 5 crores and the other Rs. 5 crores to be repaid in instalments during the coming 4 or 5 years.

SHRI M. M. DHARIA: Madam, is it a fact that the Government of India has decided not to grant any permits for expansion or for starting new industries so far as the basic industries like iron and steel are concerned? May we know whether there is any drift in the policy of the Government and these permits will be given for the public sector and not for the private sector? What is the policy of the Government and why is there that drift in its policy?

SHRI N. SANJIVA REDDY: Madam, the policy has been there for the last few years. These basic industries are always in the public sector but expansion is entirely a different question. We have allowed expansion and we are still allowing it, for example TISCO. It is being allowed to expand. But new plants will always be in the public sector.

SHRI M. S. GURUPADA SWAMY: In view of the fact that the capacity of the private industry today, even for expansion of steel, is rather very limited and also the basic character of the industry is such that it requires constant Government supervision and attention, may I know whether these things will be taken into consideration by the Government and they will revise their attitude with regard to the private industry?

SHRI N. SANJIVA REDDY: Madam, till now that question has not been considered. In the private sector two steel plants are allowed to continue and expand also. That is the policy now and there is no likelihood of its being changed.

SHRI M. S. GURUPADA SWAMY: I asked whether they are going to revise their attitude.

SHRI N. SANJIVA REDDY: I am saying that there is no possibility of that being revised in the near future.

SHRI I. K. GUJRAL: Some time back the Government had announced the policy of trying some joint enterprises as well. Since the expansion is financed by the Government, would the Government explore the possibility of converting further expansion of Tatas into a joint enterprise between Government and Tatas?

SHRI N. SANJIVA REDDY: I do not think so, because we are ourselves putting up a number of plants and expanding the existing plants. If there is any surplus capital, I would like to put it in a new plant instead of going in for joint ventures.

SHRI K. DAMODARAN: What was the dividend made by TISCO in 1964-65 and 1965-66?

SHRI N. SANJIVA REDDY: I would require notice.

SHRI N. SRI RAMA REDDY: I would like to know the methods proposed by this company to raise this huge capital, whether it is Rs. 100 crores or Rs. 200 crores. Do they ask for a loan from the Government or do they want to raise it as equity capital or do they want institutional finance?

SHRI P. C. SETHI: Out of their requirements they would be getting assistance from IBRD as well as they would be raising internal finance. Apart from this, they would get about Rs. 30 crores from shares and the other capital will be obtained by them in the market. For the rest they will have to see how best they can manage.

SHRI AKBAR ALI KHAN: May I know if this expansion, if at all, will affect the proposal which has already been agreed to for a new steel industry being established in the country?

SHRI N. SANJIVA REDDY: No, Madam. That has absolutely no relevance. We have to go ahead with our own public sector projects.

#### IMPORT OF NYLON TOW

\*296. SHRI ABDUL GHANI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Government permitted import of Nylon Tow and converting the same into Nylon Tops in 1962-63, 1963-64, 1964-65 and 1965-66 for defence purposes;

(b) if so, the names of the parties to whom the permission was given;

(c) whether the parties which were given permission have utilised the import licences for the Nylon Tow for defence purposes; and