

Modernisation of IISCO

718. SHRI SANAT KUMAR MANDAL:
SHRI CHITTA BASU:

Will the Minister of STEEL AND MINES be pleased to state:

(a) the progress made so far in the revamping of the Indian Iron and Steel Company's (IISCO's) plant at Burnpur (West Bengal);

(b) whether Dasturco. Study commissioned by Government has since been evaluated by the Department of Steel, if so, there reading of the situation;

(c) whether the global tendering and inviting of international bidding is at present under the consideration of Government; and

(d) how far the delay caused in the IISCO's modernisation has escalated its cost and the considerations for not accepting the Japanese aid?

THE MINISTER OF STEEL AND MINES AND MINISTER OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): (a) to (d). Modernisation of the Burnpur works of the Indian Iron and Steel Company Limited (IISCO) stands approved in principle. Because of the very high project costs with poor rates of return in the project report by the Japanese Consulting Companies, Govt. sought a second professional opinion on the approach to the modernisation investment including, inter-alia, possibilities of cost reduction, utilisation of existing facilities, an enlarged role for indigenous agencies and greater competition for supplies and services for the project. The report submitted by M/s. M.N. Dastur and Company has been examined in consultant with the Steel Authority of India Limited (SAIL). A revised investment proposal has been prepared and

is under consideration.

Government are considering pre-qualified global tendering for the foreign packages of the plant, equipment and services for the project to foster greater competition among reputed international and national suppliers of equipment and services. The approach is oriented towards reduction of cost and foreign exchange outflow and to increase indigenous content.

Manufacture of Sponge Iron by M/s. Essar with Foreign Collaboration

719. SHRI SHAILENDRA MAHATO: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether M/s. ESSAR has entered into any foreign collaboration for manufacture of sponge iron;

(b) if so, the details thereof including likely payment to the foreign collaborator and project cost and cost of production envisaged at reaching commercial production;

(c) whether ESSAR has been allowed hundred per cent export oriented project for manufactures of sponge iron; and

(d) if so, the details thereof?

THE MINISTER OF STEEL AND MINES AND MINISTER OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): (a) Ye, Sir.

(b) M/s. ESSAR entered into a foreign collaboration with M/s. Voest Alpine of Austria for putting up a sponge iron plant at Hazira in Gujarat. This plant has already started production. The details are given below:

i) *Foreign Collaboration Fee*:— Government had approved payment of

46.3 million DM towards design, engineering, consultancy, know-how, supervision, etc.

- ii) **Project Cost:**— The project cost as reported by the Company is Rs. 375 crores.
- iii) **Cost of Production:**— The production cost as intimated by the company is around Rs. 4,620/- per tonne of hot briquetted sponge iron.

(c) No, Sir.

(d) Does not arise.

Tourist Office in Hilly Areas of U.P.

720. SHRI M.S PAL: Will the Minister of TOURISM be pleased to state:

(a) whether there is any proposal to set up a tourist office in the hilly areas of Uttar Pradesh;

(b) if so, the time by which it will be set up; and

(c) the location thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI SATYA PAL MALIK): (a) No, Sir.

(b) and (c). Does not arise.

Non-Taxation of Agricultural Income

721. SHRI KAILASH MEGHWAL: Will the Minister of FINANCE be pleased to state:

(a) whether agricultural income is taxable;

(b) if not, the reasons therefor;

(c) whether the income from some other occupations is also exempted for Income-tax; and

(d) if so, the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) and (b). The taxation of agricultural income is a state subject under the Constitution. It is, therefore, outside the purview of taxation by Central Government. Hence agricultural income is exempt from income-tax, which is a levy by the Central Government.

(c) and (d). Income from various other sources is also exempt from income-tax either partially or wholly. These sources include earnings from exports, interest from certain specified sources, earnings in foreign exchange and income from poultry farming.

Self sufficiency in coins

722. SHRID. AMAT: Will the Minister of FINANCE be pleased to state:

(a) the quantum/value of production of coins in the Government Mints in the years 1987-88, 1988-89 and 1989-90;

(b) the extent of import of coins (Value-wise and denomination-wise) during the last three years, if any, and the reasons thereof;

(c) whether Government Mints are now geared-up to produce sufficient quantity of coins to meet circulation needs; and

(d) if not, the steps being taken in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) The quantum/value of production of coins in the government Mints in the years 1987-88, 1988-89 and 1989-90 were as under: