

SHRI VEERENDRA PATIL : We have to take a decision before 31st March, 1985, with regard to the future of this company. We have not yet taken a decision. It is under active consideration. We have not so far taken any decision.

SHRIMATI GEETA MUKHERJEE : Now I am very much confused, because I wrote a letter to the Prime Minister on this and he replied to me that this matter, namely, the representation of the Bengal Potteries Workers' and Staff Union, had been referred to the Department of Industrial Development. And yesterday itself I received a letter from Shri Arif Mohammad Khan saying that "various alternatives for the future disposition of M/s. Bengal Potteries Ltd. are under examination of the Government; a decision in this regard is expected to be taken early." From the statement made by the hon. Minister I really have not understood as to what are the various alternatives. He now says about handing over the management to the workers. That should really have been considered when the company was running in profit. Now, suddenly, after all these years, when it is running in loss, they are considering this. The first part of my question is this. He is avoiding answer about extension after 31st March. Since the fate of about 5,000 workers is involved in it, extension of the period is absolutely essential. I want to know whether they will extend the period. They cannot suddenly throw so many workers out of employment. I want to have a specific answer to this. Part (b) of my question is what are the various alternatives now being examined. I want to know what are the new alternatives which are under consideration.

SHRI VEERENDRA PATIL : I can spell out the alternatives. The first alternative is: if the workers are prepared to come forward, whether we should hand over the management to them. The second alternative is whether we should continue the *status quo* and extend the period of take-over. The third alternative is: if we cannot continue with this, whether we should de-

notify it before 31st March. All these are under active consideration.

PROF. MADHU DANDAVATE : Continuing the *status quo* means loss will continue.

SHRI VEERENDRA PATIL : I mean, extension of the take-over period.

SHRIMATI MAMTA BANERJEE : I want to know whether the Minister has received a joint memorandum from INTUC and other Unions of Bengal Potteries.

SHRI VEERENDRA PATIL : I have already said that all the Union leaders and their representatives had come. It is not a Party question at all. The INTUC also had represented that somehow this unit should be revived; it should not be allowed to be closed or it should not be de-notified. All these representations, we have already received.

Production of Paper based on bagasse

*82. **SHRI BALASAHEB VIKHE PATIL :** Will the Minister of INDUSTRY AND COMPANY AFFAIRS be pleased to state :

(a) whether the production of paper in the country this year is much more than the last year :

(b) if so, the break-up :

(c) how much of it is produced from bagasse ;

(d) the measures being taken to increase the production of bagasse-based paper ; and

(e) how much paper is still imported and the varieties of paper that come under this category ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY AND COMPANY AFFAIRS (SHRI ARIF MOHAMMAD KHAN): (a) and (b) Production paper and paper board dur-

ing 1983 and 1984 was as follows :

1983	11.97 lakh tonnes
1984	14.00 lakh tonnes

(c) During 1984 production of paper based on bagasse as raw material was 21,000 tonnes (approx.).

(d) With a view to encouraging the use of bagasse for manufacture of paper, the following policy measures have been announced by Government :

- (i) Clusters of sugar factories would be given encouragement to set up paper and/or newsprint mills, in locations close to the sugar mills.
- (ii) The additional cost of providing Coal fired boilers to the sugar factories should be borne by the paper mills.
- (iii) The financial institutions would give priority in extending assistance to such schemes in accordance with the favourable debt equity ratio that would be appropriate for investment of this order.
- (iv) As the sugar factories will have to carry stocks of coal to meet their requirement during the crushing seasons, the cost of transporting, financing and storing coal by sugar factories will be built into the cost of bagasse that will be supplied to the paper mills.
- (v) In order to off-set the higher costs arising out of boiler replacement and the substitution of bagasse by coal in sugar factory boilers, excise duty exemption would be given for writing and printing papers made with at least 75% bagasse.
- (vi) The Railways would give priority for the movement of coal to the sugar factories.

An inter-Ministerial Committee has also been recently set up to review the

progress of implementation of the above measures and to identify further steps to be taken and continuously oversee their expeditious implementation.

(e) Except for some special varieties of paper which are not manufactured in the country, no import of other varieties of paper is anticipated during 1984-85.

[Translation]

SHRI BALASAHEB VIKHE PATIL : Mr. Speaker, Sir, so far as part (e) of my question is concerned, I feel the answer given is not correct. So far as parts (a) and (b) of the question are concerned, I would like to know the number of bagasse-based paper mills functioning in the country and the number of mills out of them running in loss and the reasons therefor. What are the reasons for their running in loss despite a number of facilities provided to encourage them? What should be their capacity for becoming economically viable? Modernisation of boiler, transportation of coal etc. should be undertaken by paper mills but I feel the rebate of 75 percent in excise duty to encourage the use of bagasse is not sufficient. What action is proposed to be taken by you to give them more compensation?

THE MINISTER OF CHEMICALS AND FERTILIZERS AND INDUSTRY AND COMPANY AFFAIRS (SHRI VEERENDRA PATIL) : A Committee has been set up for this purpose and they are going into this matter.

SHRI ARIF MOHAMMAD KHAN : At present it is the endeavour of Govt. to ensure more and more use of non-conventional methods in producing paper and to set up such units that may produce maximum paper through non-conventional methods. For this, government are providing a number of facilities which have been mentioned in the original reply and I have explained government policy in regard thereto. So far as their viability is concerned, the financial institutions examining their viability at the time of giving assistance

and thereafter the quantum of financial assistance to be given to a particular unit is determined. Most of these units are new and we have got no information about the number of units running in loss or profit. According to my information most of them are functioning properly. We have noted the suggestion made by an hon. Member that people may be encouraged to use more and more bagasse. We will see what action can be taken in this regard.

SHRI BALASAHEB VIKHE PATIL : So far as modernisation of sugar mills is concerned, minimum steam consumption, high pressure boilers etc. are needed. Similarly, can these technique prove more useful in case of bagasse. What is the amount of foreign exchange saved by us so far every year by the use of bagasse for producing paper? What type of paper is not produced in India and is being imported. So far as I know you are also importing newsprint from abroad.

SHRI ARIF MOHAMMAD KHAN : I have already said in the original reply that we are not importing paper from abroad.

SHRI BALASAHEB VIKHE PATIL : Pulp is being imported.

SHRI VEERENDRA PATIL : Very little quantity.

SHRI ARIF MOHAMMAD KHAN : The figures in respect of newsprint for the year 1984-85 are not available with me at the moment, but its production has been increasing every year. Barring certain special types of paper, we are neither importing any paper nor there is any need for it. But this matter is not directly linked with it. For paper production we want that forests should be protected and also that their use should be minimum. Without linking the question of import with it we want that new units be encouraged to use non-conventional methods more and more. I have already said that the Government have decided to provide facilities. Government have set up a Secretary

level inter-Ministerial Committee to review it and see how these facilities can be provided speedily.

Sugar mills use bagasse as fuel because of its low cost. Therefore, with a view to avoid its utilisation as fuel on large scale, we are trying to provide alternative fuels to them.

SHRI RAM NAGINA MISHRA : The hon. Minister has said in his statement that they would give priority for setting up of the paper mills in areas having cluster of sugar mills. There are as many as 14 sugar mills in Deoria district of Uttar Pradesh. No other district in the country has got so many sugar mills. I would like to know whether Government propose to set up paper mills in Deoria keeping in view the large cluster of sugar mills and production of bagasse in large quantity there.

SHRI ARIF MOHAMMAD KHAN : I welcome the suggestion of the hon. Member. If any application for setting up of such a unit is recieved, I assure you, it would be looked into.

[English]

SHRI THAMPAN THOMAS : Sir, there is short supply of paper. The students are not getting books in time. Is there plan for the Government to allow small scale industry to come up in paper industry?

SHRI ARIF MOHAMMAD KHAN : Many small plants are working. They are producing paper but in many cases because of the smallness of the size of the plant they were not economically feasible and many of them got closed down. Since most of them are in the private sector we can only try to help them to run their units profitably.

Setting up of Ammonia/Urea Plants
based on Bombay High Gas

*83. **SHRI K.P. UNNIKRIISHNAN :** Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) whether Government have appro-