

**SHRI B.K. GADHVI :** Sir, we cannot prohibit them from procuring the raw material for their cigarette, but in the adjudication proceedings, all the angles will be taken care of, like imposing duty, like imposing penalties...*(Interruptions)*.

**SHRI V. SOBHANADREESWARA RAO :** That will take a long time.

**SHRI V.K. GADHVI :** Whatever is there, that is for the law. But we cannot force any company to close down.

**SHRI LALITESHWAR SHAHI :** Sir, I would like to know from the Government that in the cases where they ultimately succeed in the legal battle in the court, do they realise the money along with the interest. If not, why a provision is not being made for the same? The other part of my question is that in how many cases, when they have lost the battle in the court, they have framed the legislation with retrospective effect.

**SHRI B.K. GADHVI :** Sir, we cannot go in for a legislation in every individual case where we lose before the High Court because the case might have been decided on merits in one way or the other. After the adjudication if the court fixes the amount payable by the company to the Government, then certainly recovery measures are taken and we are promptly initiating them.

**SHRI BHAGWAT JHA AZAD :** You take interest from the farmers, what about from them? That is the question.

**SHRI B.K. GADHVI :** Normally interest also is being charged.

**SHRIMATI GEETA MUKHERJEE :** Sir, this Rs. 1,600 crores is a very big sum to cover our deficit which is there. I would like to know whether these Rs. 1,600 crores are due only for one year. If not, over how many years has this amount accumulated when was the first action taken and with what result?

**SHRI B.K. GADHVI :** Sir, this amount is long due. We came to know

about the amount only when we make searches of the various branches of the companies. For example, ITC is having five companies of their own in Calcutta, Bombay, Bangalore Saharanpur and Monghyr. Besides that, they have got seven other companies which are doing job work for them. So, by conducting searches all over, we could find out that this is probably the amount they have evaded, and for this we issued show cause notices...*(Interruptions)*.

**SHRIMATI GEETA MUKHERJEE :** Over how many years?

**PROF. N.G. RANGA :** When did you discover?

**SHRI BHAGWAT JHA AZAD :** did you discover that they have been cheating you?

**SHRI B.K. GADHVI :** Sir, the evasion as per our record is right from 1981 onwards...*(Interruptions)*.

**SHRI BHAGWAT JHA AZAD :** You are being cheated for seven years.

**SHRI B.K. GADHVI :** The searches were conducted on 17th February 1987.*(Interruptions)*.

#### Export of Iron Ore

\*527. **SHRI CHINTAMANI JENA :** Will the Minister of COMMERCE be pleased to state :

(a) the quantity of iron ore exported during the last three years, year-wise ;

(b) where there is decline in the export of iron ore ;

(c) if so, the reasons therefor ; and

(d) the steps being taken to boost the export of iron ore during the year 1988-89?

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) :** (a) to (d) A statement is given below ;

## Statement

(a) The total quantity of iron exported (including Kudremukh) concentrates and pellets) during the last three years is as under :

(Quantity : Million tonnes)		
1984-85	1985-86	1986-87
27.5	30.0	32.6

(b) No, Sir. There has been no decline in exports of iron ore during the last three years.

(c) Does not arise.

(d) Exports of iron ore have to be competitive in the international market and marketing efforts have to be intensified. Government has taken steps aimed at expanding port capacities to receive large size vessels at Vizag, Madras and Paradeep Ports, increase in rail capacities and enhance the availability of iron ore. Iron ore exports are also being diversified to new markets. Benefits of 100% Export Oriented Unit Scheme have been extended to mining projects and integrated projects involving mining.

SHRI CHINTAMANI JENA : In view of the answer given by the Minister in his statement, may I know from the hon. Minister what is the quantity of iron ore exported for the last three years from each of these ports, namely, Vizag, Madras and Paradip ? Is it a fact that exported Iron ore from Paradip port is much less than the capacity which it can export ? If so, what is the reason for the same ? May I know from the hon. Minister whether it is one of the reasons that big vessels cannot go into the Paradip port ? If so, what action is proposed to be taken by the Government for dredging it to make it more deep so that big vessels can go there and more iron ore can be exported ?

SHRI P.R. DAS MUNSI : In regard to the first question of the hon. Member, the off-take from Paradip in 1985-86 was 18.70 lakh tonnes. In the year 1986-87, it was 20.79 lakh tonnes and so far as Marmagao is concerned, it was 138.93 lakh tonnes for 1985-86 and for 1986-87,

it was 141.06 lakh tonnes. From Vizag it was 57.24 lakh tonnes in 1985-86 and for 1986-87, it was 59.50 lakh tonnes. So far as the capacity of vessels and the problem of dredging in Paradip are concerned, we are quite aware of them. The hon. Member must be knowing the fact that already the MMTC has signed an agreement in respect of Hoyundai Corporation of South Korea and details of the project report are still awaited. When it will be completed, we hope that finally it will go up to 6 lakh tonnes from that port only and the capacity of the vessels will be upto 1.70 lakhs DWT.

SHRI CHINTAMANI JENA : The hon. Minister has stated in the statement that exports of iron ore have to be competitive in the international market. May I know therefore from the hon. Minister about fixing the rate of iron ore so that it could compete in the international market. Are there any plans before the Government ? If so, what are the details so that it can compete in the international market ? This is an item which is more foreign exchange earner. In this context, may I know the details from the hon. Minister ?

SHRI P.R. DAS MUNSI : Sir, in fact, it is not that India alone can determine the price. It depends more on the demand of the steel industries of the world. This matter rests with Brazil and Australia also, being the main competitors and the main producers of iron ore. They are supplying to a network which is much wider than India and in view of the fact that the general production of steel in the world is more or less stagnant and the figures show that it is almost stagnant and specially the Indian market penetration was substantially higher earlier in Japan and South Korea. In view of the fact that in regard to steel production, Japan have evolved a new technology by which they are trying to use scrap metals instead of iron ores in the electro-furnace system, there is a sizeable decline of our iron ore export to Japan and also to little extent to some parts of Europe. It is for this reason that we could not market much more and benefit from Europe. But thereafter, it was Australia and Brazil. That is the point. But now determining any particular price by India is not possible in the sense that the demand itself is not

very sound and the total cost of operations of the mining and finally the total off-take of the export of iron ore through MMTC which is a canalised item is not very encouraging. Already we have incurred the loss last year to the tune of about Rs. 4 crores and in the current year the estimation is about Rs. 12 crores. Even if we want to go out, we cannot go out of the market or get out of the market.

**DR. V. VENKATESH :** Mr. Speaker, Sir, my State is rich in minerals from coal to iron. Particularly in Kudremukh iron ore in Chikmagalur district we have got huge mass of iron ore. A huge mass of iron ore is available there, but previously there was a proposal to export this iron ore to other countries, Iran and Iraq. Therefore, I would like to know from the Minister whether he is going to exploit it to the world market as far as this huge mass of iron ore in Karnataka is concerned.

**SHRI P.R. DAS MUNSI :** I have already explained to the hon. Member just now and I would like to inform the House that our iron ore exploitation in the country is not a problem. Our problem is to find a better market, our problem is to get a good price and I have already stated in the House that the world steel production is stagnant and the main market of ours is Japan and Korea, not very sound enough, but after the Hoyundai project our offtake to Korea and Japan will improve.

In so far as finding more areas of mining is concerned, I hope the hon. Member will refer the matter to the Mining Ministry, the M.M.T.C and Oil Ministry. If the proposal comes through them, we shall look into it.

**SHRI SRIBALLAV PANIGRAHI :** As you know, Orissa is quite rich in minerals particularly iron ore. The figures of export of iron ore had been indicated in the reply—for three years 1984-85, 1985-86 and 1986-87. I would like to know from the hon. Minister how much of it was from Orissa and what was the quantity out of that which was routed through Paradip and Vizag and how is it that Paradip's full capacity was not utilised and a part was diverted through Vizag outside Orissa.

**SHRI P.R. DAS MUNSI :** Sir, I have already informed the hon. Member just before, the total offtake of Vizag port and the Paradip port was a huge quantity of iron ore. The entire Orissa operation is conducted through Paradip port but I would like to inform the hon. Member that it is a fact that this year's out-turn was not substantially higher in the sense that we have our contract with Rumania. They could not nominate the vessels yet. The problem that they are faced with is the generation of rupee funds because we deal with them in rupee. We could not import a substantial quantity of urea and many other things, that is why they could not generate the rupee. But very recently we had a meeting on this and issues are being sorted out. The moment they nominate the vessels we hope a further quantity of 105 tonnes of iron ore from the Paradip port will be sent.

**SHRI SRIHARI RAO :** I want to know from the hon. Minister : Is it a fact that more iron ore is being exported from the Kakinada Port ? If so, what steps the Government is taking to facilitate the exporting of more iron ore from the Kakinada Port ?

**SHRI P.R. DAS MUNSI :** I am sorry I have figures with me only of the Vizag port, Madras port, Paradip, Mormugoa, and if Kakinada is included within the others—there is a group of other small ports—the exact figure of that particular port is not with me.

**MR. SPEAKER :** You can send it.

**SHRI P.R. DAS MUNSI :** It is clubbed with other ports. If he wants, I can collect and send it to him.

#### Foreign Holdings by Indian Companies

\*528. **SHRI H.M. PATEL :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that recently several Indian companies have acquired foreign holdings of several foreign firms based in India ;