

[English]

Guidelines Laid Down to Allocate Aluminium of Different Grades

6067. DR. G.S. RAJHANS : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether his Ministry has recently laid down guidelines to allocate aluminium of the different grades to the genuine users of the aluminium for the current financial year;

(b) if so, the details of the guidelines issued and the names of the units which are genuine users of aluminium;

(c) whether it has come to the notice of Government that several units which are getting aluminium of different grades from Government are misusing the prescribed quota and thus diverting it at high premium; and

(d) if so, the steps Government propose to take against the units which are misusing the quota ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) and (b). In order to encourage better utilisation of capacity and to boost production of new and revived units, certain guidelines for distribution of EC grade aluminium were framed for the year 1984-85. The same guidelines have been repeated for year 1985-86. Important features of these guidelines are :—

- (i) Allocations are made to the units based on 75% of their highest past annual off take and 25% of their capacity.
- (ii) Allocations to new and revived units are made on the basis of 75% of their capacity.
- (iii) A clear one month's notice is required to be given to the

allottees to make financial arrangement for lifting the metal in order to help units especially in the small scale sector.

- (iv) Under the guidelines a loanee, who should be a regular allottee of EC metal is permitted to get loan from another allottee with the consent of Controller of Aluminium and that loan taken during the one allocation period is to be returned latest before the last date of the next allocation period.

The names of the cables and conductor manufacturers and manufacturers of winding wires etc., who have been allocated EC grade metal are given in the Statement laid on the Table of the House. [Placed in Library See No LT 1118/85].

Indigenously produced CG aluminium is not under distribution control. However, the imported CG aluminium ingots are distributed by MMTC in accordance with the guidelines framed by the Government and are incorporated in the trade notice issued by MMTC from year to year. The main features of the guidelines in respect of distribution of imported CG grade ingots is that actual users are eligible to get CG ingots from MMTC to the extent of 1/3rd of their highest past annual offtake.

(c) and (d). The availability position of aluminium has considerably improved from last year. Domestic production, which has gone up substantially, has been supplemented further by imports. There is no shortage of aluminium either EC or CG. In fact, due to easy availability of aluminium, distribution control was relaxed from the later part of last year. There is no complaint of misuse or diversion of aluminium on high premium.