

Supply of coking coal for steel production

2255. SHRI JYOTIRMOY BOSU:
Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that inadequate supply of coking coal throughout 1979-80 to the Public Sector Steel Plants has made it impossible for them to restore the eight per cent production cut-back, effective from April, 1979;

(b) if so, what are the details in this regard; and

(c) what steps, if any, have been or are being taken to step up steel production?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b) As against a desirable level of 5 lakh tonnes and safe operating level of 3.5 tonnes of coking coal in the Steel Plants (including TISCO), the actual stock position fell down to 1.375 lakh tonnes as on 1-4-79. In view of the continuing short supplies as well as the need to build up stocks before the advent of monsoon (when the coal production is even less), it was decided to impose an 8 per cent cut in the coke oven pushing rate from April, 1979. However, despite the reduction in oven pushing rate, the stock position in respect of coking coal continued to be precariously low almost throughout the year 1979-80. Consequently, not only has it not been possible to restore the cut but that the actual reduction in oven pushing has been in the range of 12—16 per cent in the last few months.

(c) Apart from inadequacy of coking coal supplies, the production of steel in 1979-80 was affected adversely by the acute shortage of power. The following are some of the main steps taken, or proposed to be taken, to meet the situation:—

1. Close monitoring of the position regarding supply of coal and power and rail movement is being

done every week by the Cabinet Committee on Industrial Infrastructure;

2. Close and constant liaison is being maintained with the coal producers (CIL, BCCL, etc.) and the Ministry of Energy (including the power generating bodies such as DVC and State Electricity Board), so as to ensure optimum production of coking coal;

3. Regular liaison on daily basis is being maintained with the coal supply agencies and the Railways by a Coordination Cell (on which SAIL is also represented) at Calcutta so as to ensure adequate and timely availability of wagons and prompt movement of loaded rakes;

4. Timely action was taken to import 1.2 million tonnes of high grade low ash coking coal so as to augment the indigenous supplies and also to improve the quality of coke feed in the blast furnaces. The strategy for further import of coking coal during 1980-81 so as to maintain the continuity of such supplies is under consideration;

5. Power supply to the coal mines is being augmented by giving them a higher priority so as to improve the production of coal in Bihar-West Bengal belt which is the main source of coking coal production in the country;

6. Close and constant liaison is being kept with Ministry of Energy, DVC authorities, State Electricity Boards so as to secure maximum supplies of power; and

7. Schemes have been sanctioned for augmentation of captive power generation capacity at Durgapur and Bokaro Steel Plants to the extent of 300 M.W.

Establishment of integrated steel plant

2256. SHRI CHINTAMANI JENA:
Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the Government of India have received any foreign proposals for

establishment of an integrated steel plant on a Turn-key basis with complete financing by the Collaborators; and

(b) if so, which are the foreign collaborators and what are their terms and conditions and the places they have proposed for location?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b) Government have been exploring the possibilities of setting up a new steel plant with technical and financial assistance from some of the developed countries. As a result of the discussions held in this regard, concrete proposals have been received from M/s. Davy International of U.K. and M/s. Mannesmann Demag of West Germany. For the purpose of preparing the offers, Paradip has been assumed by both the parties as the tentative location. However, these proposals including the question of final location as well as other terms and conditions require technical and financial evaluation and will have to be negotiated further with the parties concerned before a final decision can be taken. In view of these considerations, it will be premature to give any further details thereof at this stage.

Availability of rich bauxite ores in Gandhamaidan hills, Orissa

2257. **DR. KRUPASINDHU BHOI:** Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the Government of India are aware of the availability of rich bauxite ores in Gandhamaidan hill range in Sambalpur District of Orissa; and

(b) if so, what steps are being contemplated to ensure the utilisation of these ore reserves?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b) Yes, Sir.

Large bauxite deposits have been located in Gandhamaidan Plateau in Bolangir-Sambalpur districts of Orissa. M/s. Bharat Aluminium Company (a Government of India Undertaking) and M/s. Orissa Mining Corporation (a State Government Undertaking) have already applied for mining leases in the area for exploitation of these deposits.

Establishment of a concentrator in Sargipali, Orissa

2258. **DR. KRUPASINDHU BHOI:** Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the Hindustan Zinc Limited has sought clearance of the Public Investment Board for establishment of a concentrator with a feed capacity of 750 tonnes per day in Sargipali in Sundergarh District of Orissa; and

(b) if so, when the decision of the Central Government is expected to be announced?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b) Examination by the Government of the Project Report submitted by Hindustan Zinc Ltd. in 1975 to develop a mine for production of 750 tonnes of ore per day with matching beneficiation facilities, indicated that the project was not commercially viable on the international price of lead then prevailing and was marginally viable on domestic prices. Subsequent feasibility study, however, revealed that the project at an operating level of 500 tonnes per day may be viable. Accordingly, based on the additional exploration data, a revised Project Report prepared by Hindustan Zinc Ltd. was submitted to Government in April, 1978. The revised Project Report envisaged production of 500 tonnes of ore per day with matching beneficiation facilities. The project has been approved by Government on the recommendations of the Public Invest-