

# LOK SABHA DEBATES

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## LOK SABHA

*Monday, March 13, 1961* | *Phalguna 22, 1882 (Saka)*

*The Lok Sabha met at Eleven of the Clock.*

[MR. SPEAKER in the Chair]

### ORAL ANSWERS TO QUESTIONS

#### Production of Zinc

\*766. **Shri Harish Chandra Mathur:** Will the Minister of Commerce and Industry be pleased to state:

(a) the programme for production of zinc in Zawar Mines in Rajasthan; and

(b) what are the possibilities for stepping up production during the Third Five Year Plan period and steps being taken in that direction?

**The Minister of Industry (Shri Manubhai Shah):** (a) and (b). A statement is laid on the Table of the House.

#### STATEMENT

(a) A licence under the Industries (Development and Regulation) Act, 1951, has been granted to a firm to set up a 15,000 tons zinc smelter near Udaipur (Rajasthan) based on the Zawar deposits. According to the terms of the licence, the unit is to be established by the middle of 1962.

(b) The present known workable deposits of zinc in the country are confined to the Zawar area in Rajasthan. Indications are available that the smelter at Zawar could be later expanded to about 40,000 to 45,000 tons per annum if sufficient quantities of ores are proved there.

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Exploratory work for other deposits also has been taken in hand which, it is hoped, will yield, in due course, a clear picture of the indigenous availability of zinc ore deposits in other parts of the country. Meanwhile, it is proposed to issue a licence to a private party for setting up another 12,000 ton per annum zinc smelter in the Calcutta region based on imported concentrates.

**Shri Manubhai Shah:** Sir, there is also another question on zinc smelters which, if I have your permission, I would like to club.

**Shri Raghunath Singh:** Question No. 778, which I have tabled, also deals with zinc smelters.

**Shri D. C. Sharma:** Only one question should be taken up at one time.

**Mr. Speaker:** I agree. But why should not we take them up together if they are connected?

#### Zinc Smelter

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\*778. { **Shri Raghunath Singh:**  
**Shrimati Ua Palchoudhuri:**  
**Shri Muhammed Elias:**  
**Shri N. M. Deb:**

Will the Minister of Commerce and Industry be pleased to state:

(a) whether a proposal for establishing medium sized zinc smelter at Calcutta is under the consideration of the Government of India;

(b) if so, the progress made in connection therewith; and

(c) the financial implications of the proposal?

**The Minister of Industry (Shri Manubhai Shah):** (a) to (c). I: is

proposed to issue an industrial licence to a private party for the manufacture of 12,000 tons of zinc per annum based on imported concentrates. The scheme is expected to lead to a substantial saving of foreign exchange. The party is still working out the exact details of the scheme.

**Shri Harish Chandra Mathur:** Sir, this will mean a complete mix up. One is in Rajasthan, the other in Calcutta and there are one or two other smelters.

**Mr. Speaker:** All right. I will first allow supplementaries to be put on Question No. 766. They seem to be connected in a way.

**Shri Manubhai Singh:** He has also asked for information about the whole zinc industry in the country.

**Mr. Speaker:** Shri Mathur may confine his supplementaries only to his Question No. 766.

**Shri Harish Chandra Mathur:** May I know if the hon. Minister is aware that there is a strong feeling that there has been woefully slow progress in this project, particularly in Rajasthan; if so, may I know what are the reasons which have stood in the way and what steps are being taken to step up the progress and whether it will be possible to complete it in 1962?

**Shri Manubhai Shah:** Yes, Sir, the smelter is expected to go into production in 1962. There has been no woefully slow progress. As a matter of fact, from 100 tons to 500 tons they have now gone into a production of 2,500 tons of ores. That I think has been quite a satisfactory rate of progress.

**An Hon. Member:** We are not able to hear.

**Mr. Speaker:** The hon. Minister will look at me and speak. The mikes have been so arranged that I will receive the voice of every hon. Member who speaks. If the hon. Minister turns that side or turns backward

while speaking the mike does not catch his voice.

**Shri Kasliwal:** In answer to part (b) of the Question it is said that the present known workable deposits of zinc in the country are confined to the Zawar area in Rajasthan. If this is so, may I know why this private party which has been all along dilly-dallying with this is being continued to be supported for this purpose?

**Shri Manubhai Shah:** I made it quite clear in my answer that it is not a question of supporting. Their progress has been satisfactory. That will be the first zinc smelter to be installed in Rajasthan. Any other step would have delayed the matter considerably.

**Shri Harish Chandra Mathur:** May I know whether Government is not satisfied that there is enough possibility at Zawar mines to feed both the smelters? May I know why Government wants to start a smelter based on imported concentrates and why we cannot step up things in Rajasthan itself?

**Shri Manubhai Shah:** Zawar, as I have already indicated in my answer, is only of about 40,000 tons to 45,000 tons. As the House is aware, the requirement of zinc for the country is going to be 1,70,000 tons a year. It is all today being imported. So there is scope not for one or two smelters but half-a-dozen smelters of this type.

**Shri Kasliwal:** In answer to a question about a year back the hon. Minister was pleased to say that Rs. 30,00,000 had been advanced to this private company, which is probably the Metal Corporation. May I know now whether either the Central Government or the State Government has advanced or proposes to advance any further money to this Corporation?

**Shri Manubhai Shah:** Since I answered that question, the project has gone into great transformation. It has been enlarged. Therefore, they have raised a new capital of Rs. 2.25

crores and the Rajasthan Government proposed to give them about Rs. 50 lakhs under-writing.

**Shri Raghunath Singh:** May I know when the zinc smelter at Calcutta will start functioning?

**Shri Manubhai Shah:** That was the question tabled by the hon. Member. As I have said in my answer, the details are yet to be received in respect of the other smelter based on imported concentrates to be established in the Calcutta region.

**Shri T. B. Vittal Rao:** The original proposal was for foreign collaboration with Messrs. Rio-Tinto and this Metal Corporation. May I know whether that same foreign collaboration stands? May I also know from which country the firm which is going to set up the smelter at Calcutta will get the concentrates?

**Shri Manubhai Shah:** As far as the Zawar smelter is concerned, the proposal was to have a triple collaboration with Messrs. Panoraya and Cie, Messrs. Krebs & Cie, and Messrs. Rio Tinto. The present collaboration is with Messrs. Panoraya and Cie and Messrs. Krebs & Cie. Messrs. Rio Tinto do not come into the picture because they i.e. Metal Corporation of India are themselves developing the mining pact. Regarding the second smelter, perhaps it will be with Canadian collaboration, but it has not yet been finalised.

**Shri Tangamani:** May I know which is the private party that is going to be given this licence for setting up another 12,000 tons per annum zinc smelter based on imported concentrates and what is going to be its capacity?

**Shri Manubhai Shah:** It works out to 12,000 tons to 15,000 tons. The party is Messrs. G. D. Binani & Co., Calcutta.

**Shri Harish Chandra Mathur:** Is it not a fact that of the vast area licensed to this company only a small

portion is being exploited at the present moment and that too has been possible only with such great assistance from the State Government and the Central Government? If that is so, may I know whether Government are thinking of exploiting the remaining area as a public sector project?

**Shri Manubhai Shah:** The whole area, as I said, is included in it, and I hope the hon. Member will give some time to this factory to come forward. It will contribute richly to the industrial development of the Rajasthan area.

**Shri Kasiwal:** In the statement the hon. Minister has said that if the ores are proved so much more expansion of smelter will be made. May I know what particular steps Government are taking to see that the ores are proved?

**Shri Manubhai Shah:** The collaboration and development of the mine are being watched from day to day. As I have answered already from 500 tons they have come up to 2500 tons of ores and that is a very promising start.

**Shri Ram Krishan Gupta:** The hon. Minister stated that these firms have got foreign collaboration. May I know whether they have also got any financial assistance; if so to what extent?

**Shri Manubhai Shah:** With regard to the second smelter, as I have already indicated, the details are yet to be worked out. There may be 25 per cent. financial participation from the foreign party according to present indications, but nothing has been received by us in any final shape.

#### Jute and Hessian Futures Trading

\*767. **Shri Rameshwar Tanti:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the basis of margin deposits was changed several times on jute and Hessian futures trading in Calcutta during the last 6 months; and