

Iron Ore

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*1579. { Shri Nathwani:
Shri Morarka:

Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) what is the actual f.o.r. price of iron ore produced by the Orisa Mining Corporation;

(b) the distance between the pit-head of the mines and the nearest railway station; and

(c) how does this price compare with the price of iron ore produced in other mines?

The Parliamentary Secretary to the Minister of Steel, Mines and Fuel (Shri Gajendra Prasad Sinha): (a) Actual cost of f.o.r. varies from station to station depending on the distance from the mine and the grade of ore supplied as assessed after analysis. It would not be in the commercial interest of the Corporation to divulge this information.

The distance between the pithead and Railway station is as follows:—

1. Maharajpur.	13 miles.
2. Khandadara.	6 miles.
3. Sakradihi.	20 miles.
4. Tungaisuni.	28 miles.

(c) The f.o.r. cost of iron ore differs from mine to mine depending on the lead and the grade and therefore does not permit comparison with the price of iron ore produced in other mines.

Shri Nathwani: What is the pattern of transport from the pithead to the railway station?

Shri Gajendra Prasad Sinha: It is the usual method adopted by other mining industries. It is transported by road.

Shri Nathwani: What is the expenditure per ton per mile for such transport?

Shri Gajendra Prasad Sinha: I have not got the figure of the per mile cost of transport by road.

Shri Nathwani: May I know whether this ore has been supplied to any of our steel plants?

Shri Gajendra Prasad Sinha: We were producing nearabout 1,500 tons per month. Now the production has increased and it has gone to nearabout 60,000 tons. But because the iron ore is supplied by the State Trading Corporation, I am not in a position to say whether some supply of this ore has been made to the steel plants or not.

Shri Ramanathan Chettiar: Is this Corporation owned by the Government.

Shri Gajendra Prasad Sinha: It is owned by the Central Government as well as by the Orissa Government in the proportion of fifty-fifty.

Shri Morarka: In answer to a previous question the hon. Minister has said that the cost of mining is Rs. 10:30 nP. and it is now understood that the f.o.r. price is more than Rs. 17 per ton. May I know whether the cost of transport is about Rs. 6 or Rs. 7 per ton?

Shri Gajendra Prasad Sinha: I have already stated that the cost differs from pithead to pithead from the rail head. I do not know from where the hon. Member got the idea of the distance covered for this Rs. 17.

Shri Morarka: The cost of mining has been given by the Parliamentary Secretary as Rs. 10 and f.o.r. price as Rs. 17 per ton. I want to know whether the cost of transport by road for 30 miles, even the maximum distance comes to Rs. 7 per ton.

Shri Gajendra Prasad Sinha: I have already stated that I am not in a position to give the exact f.o.r. price, because that depends upon the mileage covered from the pithead.

Mr. Deputy-Speaker: What he is asking is: even if it were thirty miles, would it come to that much?

The Minister of Mines and Oil (Shri K. D. Malaviya): I am not in a position to say that the selling price is Rs. 17, which includes Rs. 3 as the

cost of transport on any road for any distance. These are matters of detail which are left to the companies. I cannot specifically give the correct figure.

Shri Achar: May I know how the cost of iron ore from Orissa mines compares with the cost of iron ore produced in some of the Mysore mines?

Shri K. D. Malaviya: The cost of Orissa Mining Corporation compares quite favourably with the private mine-owners.

Shri T. B. Vittal Rao: Will the hon. Minister look into this aspect of the question, that is, Rs. 17 for thirty miles which is exorbitantly high?

Mr. Deputy-Speaker: Next question.

Copper Smelting Plant at Khetri

*1580. { **Shri Morarka:**
Shri Nathwani:

Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether negotiations for setting up of a copper smelting plant at Khetri in Rajasthan have been completed;

(b) if so, the main terms and conditions; and

(c) the time schedule by which this plant would be put up?

The Parliamentary Secretary to the Minister of Steel, Mines and Fuel (Shri Gajendra Prasad Sinha): (a) The project has been entrusted to the National Mineral Development Corporation which is at present examining offers received for consultancy services.

(b) Does not arise.

(c) It is proposed to bring the project into operation at the targetted rates by 1964, if not earlier.

Shri Morarka: May I know with which countries negotiations are going on for putting up this smelting plant at Khetri?

Shri Gajendra Prasad Sinha: In the beginning we had some discussion with the Polish Government. Later on, we contacted some of the big firms and offers from eight to nine firms have come, which are under consideration.

Shri Morarka: May I know whether the offer is only for putting up the smelting plant or is it also for mining?

The Minister of Mines and Oil (Shri K. D. Malaviya): The offer is for consultancy services. They will probably advise us on the project, supervise erection and see it running. We have received about eight or nine offers, out of which three or four have been rejected *prima facie*. The rest are to be examined by Government.

Shri Kasliwal: May I know what would be the capacity of this smelting plant.

Shri K. D. Malaviya: The present idea is to produce at least 10,000 tons of copper metal.

Shri Nathwani: May I know whether the quantity of 10,000 tons is considered to be economic for the project?

Shri K. D. Malaviya: Yes, Sir.

Shri T. B. Vittal Rao: May I know whether the negotiations that are going on are only for consultancy or also for foreign exchange and foreign credit?

Shri K. D. Malaviya: There is no negotiation going on. We asked for quotations from various firms with regard to consultancy services and project report. We have got the offer from about nine firms from all over the world. Some of them have been rejected. Some of them are being examined. Thereafter we shall select one of them who will be our consultants to give us all these services that I have just mentioned.

Shri Harish Chandra Mathur: Is it not a fact that the quantity of copper that would be available is much more which can feed a larger unit, and if it is so, in view of the urgent need for