

LOK SABHA DEBATES

1

LOK SABHA

*Friday, May 10, 1985/Vaisakha
20, 1907 (Saka)*

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

[MR. SPEAKER *in the Chair*]

OBITUARY REFERENCE

[*English*]

MR. SPEAKER : I have to inform the House of the sad demise of Shri Balbir Singh, who was a Member of the Sixth Lok Sabha during 1977-79 representing Hoshiarpur Parliamentary Constituency of Punjab.

As an able Parliamentarian, he took keen interest in the proceedings of the House and relentlessly worked for the upliftment of down-trodden and weaker sections of the society.

Shri Singh fell to the assassin's bullet today morning at Hoshiarpur.

We deeply mourn the loss of this friend who was a stalwart in his own way. He never feared anything in his life and worked for the people.

On behalf of the House we send our condolences to the bereaved family. I hope the House will share my views.

Now, the House will stand for a short while.

The Members then stood in silence for a short while.

2

ORAL ANSWERS TO QUESTIONS

[*English*]

Production of Gold in 1982-83 to 1984-85

*793. SHRI S.C. GHOLAP : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the yearly production of gold in India from 1982-83 to 1984-85;

(b) the output of Yeppamana Mine in Andhra Pradesh; and

(c) the new places where gold is found ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : (a) to (c). A statement is laid on the Table of the House.

Statement

(a) The total amount of gold produced during 1982-83 to 1984-85 is as follows :—

<i>Year</i>	<i>Quantity of gold produced (In Kgs.)</i>
1982-83	2241
1983-84	2078
1984-85	2036

(b) The output of Yeppamana Gold Mines in 1984-85 was 25.7 Kilograms of Gold.

(c) Exploration for gold during the last few years in the southern extension of Kolar Gold Fields in Andhra Pradesh have resulted in location of two new gold prospects, one in Chigargunta and the other in Mallappakonda.

SHRI S.G. GHOLAP : The production of gold in the year 1982-83 was 2,241 kilograms and then in 1983-84 it was 2078 kilograms. In 1984-85, it has come down to 2036. That means, there is a shortfall of gold. What are the reasons when we are producing the gold, even then the Bharat Gold Mines Limited is incurring loss? What are the losses?

SHRI VASANT SATHE : Sir, it is true that the production of gold is coming down because the main area where the gold was found was the Kolar Gold Mine run by the Bharat Gold Mines. We have been going deeper and deeper and the gold reserves have been progressively going down. I would like to give some statements which will be really of interest to show how steeply the gold reserves have gone down in this year. That will show that it is because of the depletion of the gold reserves that gold production is not becoming profitable. This Kolar Mine is a very old mine, one of the oldest in the world. It began starting production in 1980 and its level of production was 89 tonnes in the period 1981 to 1990. From 1901 to 1910, in ten years, the production was 170 tonnes. The next 10 years, i.e. from 1911 to 1920, it was 125 tonnes. From 1921 to 1930, it was 117 tonnes. From 1931 to 1940, it was 99 tonnes. It has fallen down steeply from 1971 onwards and during the period 1981 to 1983, it has come down to 4.4 tonnes, today, although we have gone nearly 3 kms. deep. Now, the main reason is, we have not been able to find other areas where economically viable gold can be exploited. This is the major reason why the Bharat Gold Mines Ltd., is losing this year. It will lose about Rs. 12 crores. Last year also, it lost. So, we are constantly losing because of this.

SHRI S.G. GHOLAP : Sir, two new places are located, that too in Andhra Pradesh. What is the progress of those locations and what will be the quantity available—whether it will be economically profitable.

SHRI VASANT SATHE : Sir, in Andhra Pradesh, at Chigargunta, the deposits, the reserves that we have found are of 4.19 million tonnes of ore bearing gold. The grade is 4 to 5 grams per tonne of ore which is considered economical and viable. We are trying to see how we can exploit it economically. Other areas are also being explored both in Mallappakonda and Yeppamana mines and Hatti mine block and Hosar block in Karnataka and in Kerala in Nilambur which is the river belt area and in other States.

SHRIMATI BASAVA RAJESWARI : Sir, the Minister was kind enough to say that the production is going down although you, are going very deep in the mines and the gold is not available in abundance. May I know from the Minister is it due to the acute power shortage that the production is decreasing in Karnataka?

I would like to ask how about the performance of the Hatti Gold Mines in Karnataka and whether they are earning profit or they are making losses.

SHRI VASANT SATHE : As far as Hatti Gold Mines are concerned, I will not be able to say anything.

MR. SPEAKER : It is not connected with this.

SHRI VASANT SATHE : I need notice to collect this information.

SHRIMATI BASAVA RAJESWARI : Hatti Gold Mines produce gold.

SHRI VASANT SATHE : Hatti Gold Mines is producing gold, I know; But you asked about the shortage of power. Recently I have taken up this question with the hon. Chief Minister when we met him here. There was an old agreement to get hydel power for this gold mine at a particular rate and it was more or less a dedicated power. Now suddenly they have increased that rate and they want us to take power at a

very higher rate and also from this source. That has increased the cost very much and makes it really prohibitive to work out. But it is not shortage of power. It is heavy increase in the cost of power that is affecting the working of the mines. As it is, it is becoming costly. This has been an additional straw on the camel's back.

SHRI E. AYYAPU REDDY : What is the total investment that has been made on the Yeppamana Gold Mines in Andhra Pradesh? It is reported that it has yielded only 25.7 kg of gold. What was the production in the year, 1983-84?

Nearby there are Vajra Kareer mines where diamonds are proverbially recovered from ancient times. Will the hon. Minister also say whether any survey is being made at Vajra Kareer and Anantapur districts?

SHRI VASANT SATHE : I need notice for this. This is a specific question about a specific area and I do not want to give a general reply.

SHRI E. AYYAPU REDDY : You have said 25.7 kg have been produced by Yeppamana Gold Mines, of Andhra Pradesh. What is the total investment that has been made on that?

SHRI VASANT SATHE : I will collect the figures and send them to you. I do not have them readily with me.

Closure of Iron ore Mines in Gorumahishani-Badam-Pahar Sector in Mayurbhanj District (Orissa)

*795. **SHRIMATI JAYANTI PATNAIK :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether some iron-ore mines have been closed down in Gorumahishani-Badam-Pahar sector in Mayurbhanj district, Orissa ;

(b) if so, the reasons that led to the

closure of these mines ;

(c) since when these mines have been closed down; and

(d) the efforts made to re-start the mining operation in these mines ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) to (d). A Statement is laid on the Table of the House.

Statement

(a) and (b). 6 mines on an average used to be worked in the district in the last 3 years. At present, only 3 mines are being worked in this District. Notices of closure have not been received from the other mines. In the notice received from one mine for temporary discontinuance of operation, the reason cited was low off-take of iron ore from Badam Pahar. This is reported to be the general reason for discontinuance of iron ore production in this area.

(c) Since notices for closure from other mines have not been received, nor have production returns been filed by these mines since 1981-82, it is not possible to indicate when these mines have ceased producing.

(d) MMTC procured 1.88 lakh tonnes of iron ore in 1984-85 from this District, which is more than the quantity annually procured from this District in 1981-82, 1982-83 and 1983-84. For the year 1985-86, MMTC plans to procure a larger quantity than the 1984-85 level to meet its increased export commitments. The increase in procurement by MMTC is expected to act as a stimulant to increase production of iron ore in this District.

SHRIMATI JAYANTI PATNAIK : The hon. Minister has replied that at present three mines are being worked in this sector, this Gorumahishani-Badam-Pahar sector in Mayurbhanj district. He has already stated that six