

LOK SABHA DEBATES

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Tuesday, July 10, 1979/Asadha 19,
1901 (Saka)

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

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Location of New Steel Plants

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*22. SHRI RAGAVALU MOHANARANGAM:

SHRI C. N. VISVANATHAN:

Will the Minister of STEEL AND MINES be pleased to state:

(a) the final formulations regarding setting up of new steel plants; and

(b) the particulars of location of the new plants, their capacity and the time frame for commencement of operations?

THE MINISTER OF STEEL AND MINES (SHRI BIJU PATNAIK): (a) and (b). An investment decision for the setting up of a Steel Plant at Visakhapatnam at an estimated cost of Rs. 2256 crores with liquid steel capacity of about 3.4 million tonnes per annum has recently been taken. Government are also examining the possibility of setting up some more steel plants on port based locations like Mangalore, Paradeep and Haldia. A study has been commissioned by Steel Authority of India Limited (SAIL) to compute the comparative input costs for these locations. Simultaneously, discussions are also being

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held with interested foreign parties for the setting up of these plants. Only after the studies undertaken by SAIL are concluded and the credit terms are settled, Government would be in a position to take a view in the matter.

SHRI RAGAVALU MOHANARANGAM: It has been stated by the hon. Minister that some of the foreign parties also are very much interested in setting up steel plants in our country. I want to know exactly which are the countries that have come forward to set up new plants and where they want to set up.

SHRI BIJU PATNAIK: It will not be in the interest of the steel plants or of general interest to give the names of every party or whatever they have given. It is a matter still under negotiation. If something is accepted by the Government, I will be only too pleased to announce it in the House.

SHRI RAGAVALU MOHANARANGAM: He has said that some of the foreign parties, foreign countries, are very much interested in setting up steel plants in our country. I want to know exactly the names of those foreign countries and where they want to set up.

MR. SPEAKER: He says that it is under negotiation.

SHRI C. N. VISVANATHAN: May I know from the hon. Minister how many years it will take, whether there is any time bound programme, for starting the Visakhapatnam Plant?

SHRI BIJU PATNAIK: The present arrangement is that, from the time the final DPR is ready and the

work has begun on the foundations, it should take 36 months to produce the first molten iron and 48 months for finished steel of the First Stage, and within two years thereof, the full capacity of 3.4 million tonnes of molten iron and about three million tonnes of finished steel is being envisaged.

SHRI DARUR PULLAIAH: May I know from the hon. Minister when the Vijayanagaram Steel Plant is going to be started? About 10,000 acres of land have been acquired and the land is being fenced. What is the Government going to do with that land?

SHRI BIJU PATNAIK: There is no proposal of starting a plant at Vijayanagaram at present.

News Item Captioned 'Bogus Units Corner Steel Quota'

*23 **SHRI P. K. KODIYAN:**

SHRI SAMAR MUKHERJEE:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government's attention has been drawn to the news item appearing in *Business Standard* dated June 7, 1979 captioning 'Bogus units corner steel quota'; and

(b) if so, the action taken by Government to unearth such bogus units and to prevent such cases in future?

THE MINISTER OF STEEL AND MINES (SHRI BIJU PATNAIK): (a) Yes Sir. Presumably the reference is to the news item which appeared in the issue of *Business Standard* dated June 7, 1979.

(b) The news item quoted a spokesman of the Federation of Associations of Small and Rural Industries as alleging that there are roughly 1200 bogus small and rural units receiving allotment of steel items in

Haryana of which 500 are in Gurgaon District alone.

The Regional Iron and Steel Controller had contacted the President and the General Secretary of the Faridabad Small Industries Association who have been cited in the news items as urging prosecution of bogus steel users; and requested them to communicate the names of bogus units in order to enable further action to be taken. No reply has been received from them. Independently the Regional Iron and Steel Controller had carried out the inspection of 60 steel using units in Haryana during the period from September, 1978 upto now. As a result of these inspections despatches to 28 units (6 in the medium sector and 22 in the small scale sector) were suspended pending investigation. Out of these 11 units (3 in the medium sector and 8 in the small scale sector) have been debarred from getting further supplies after completion of investigation. Investigations in respect of the remaining 17 are still in progress. In none of these cases was the unit found to be a bogus one but action was taken for mis-utilisation of the material as against the Iron & Steel control order.

SHRI P. K. KODIYAN: May I know whether his Ministry has contacted the State Government in order to find out whether there is any truth in the allegation that bogus units are cornering this scarce material because I find from the paper report that the President of the Haryana Small Scale Industries Association had submitted a list of 200 bogus units to the Haryana State Industries Minister and the former Industries Minister, Mr. Manjral Sein was reported to have ordered a probe into these allegations, but, later on somehow that probe did not take place. Therefore, I would like to know whether, in order to have an independent investigation, the Centre has contacted the State Government and, if that is not done, even at this stage will that