

**Setting up of Mini Cement Plants**

\*148. SHRI P. M. SAYEED:

SHRI GHULAM RASOOL  
KOCHACK:

Will the Minister of INDUSTRY be pleased to state:

(a) whether there is an ambitious scheme to promote mini cement plants in the country in order to step up cement output;

(b) whether many proposals of mini cement plants were cleared by Government in the last two years and only three units have been set up so far;

(c) whether any units located in Gujarat, Rajasthan and Tamil Nadu are yet to start production;

(d) whether the main reasons for non-starting production is the non-availability of funds from financial institutions;

(e) what are the other main reasons for not setting up these mini cement plants; and

(f) what steps are being taken by Government to help these mini cement plants to grow?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI CHARANJIT CHANANA): (a) to (f). A Statement is laid on the Table of the House.

*Statement*

(a) Yes, Sir.

(b) and (c). Of the 82 approved schemes 21 units are in Gujarat, 12 in Rajasthan, 11 in Karnataka and 1 in Tamil Nadu. One unit located in Gujarat commenced production in March, 1980 and another in Karnataka is expected to start production in August, 1980.

(d) and (e). In the main, doubts about the economic/financial viability and lack of financial assistance are the reasons for the slow progress of the scheme of establishment of mini cement plants. In a few cases, difficulties in the matter of obtaining mining leases have also been reported.

(f) The matter is being pursued with the financial institutions to review the pending applications and take positive steps for promoting the setting up of mini cement plants, provided they are viable in the long run.

SHRI P. M. SAYEED: From the hon. Minister's statement it is clear that out of 82 units approved, only one unit has gone into production another unit may go into production in August this year in Karnataka. In 1979 the production in the country was 28 million tons and by 1982-83 it may go up to 30 million tons. The very purpose of Government's approval of these mini cement plants was....

MR. SPEAKER: You put your question.

SHRI P. M. SAYEED: I am coming to the question.

In his statement he has said that economic and financial viability and also some difficulties in obtaining mining leases for these plants are the reasons for the delay in their going into production. From the news papers we know that the vertical shaft technology has been developed in the Regional Research Laboratory in Jorhat and the financial....

MR. SPEAKER: You are explaining certain things; you are not putting the question.

SHRI P. M. SAYEED: The financial institutions are shy of investing money because they feel it may not be viable and satisfactory. Is that the reason for the non-going into production of these 82 units? If so,

what concrete step is Government going to take to tackle this problem?

**SHRI CHARANJIT CHANANA:** The Hon. Member's question about the vertical and horizontal shafting system was definitely under question. This only needs one clarification and that is that the technology to be adopted for the mini steel plant, according to the two Working Groups appointed by the Ministry, is correlated to the size of the unit. For units of 100 tons per day, it is always advised that the vertical shafting should be adopted.

Secondly, the availability of raw materials and mining leases is another factor which determines these. There was some gap in the orientation of the whole thing. The Ministry has been keeping close monitoring touch with financial institutions like the IDRI, IFCI and other State bodies also, and this question is no more there now. So, the hitch the Hon. Member has raised, about the vertical shaft is not there. We are in fact trying to orient them, related to size.

**SHRI P. M. SAYEED:** I come from the Union territory of Lakshadweep. According to expert opinion, there are 288 million tonnes of calcareous sand which is used as raw material in the production of white cement. May I know from the hon. Minister whether, taking into account the availability of raw material, Government will put up a white cement factory in the Union territory of Lakshadweep?

**SHRI CHARANJIT CHANANA:** We would welcome setting up of any cement plant. We would welcome an application for a letter of intent for this particular thing, if it has not already come. If it has come, then I would let the hon. Member know. We will consider it with all its plus points.

**SHRI DIGVIJAY SINGH:** Considering that mini steel plants, to make

them viable units, must have two concessions, one, concession in tax and the other, concession in controlled distribution, what is the Government's plan to give these two concessions in order to make the mini steel plants economically viable?

**SHRI CHARANJIT CHANANA:** The hon. Member will be glad to know that both these incentives are already built in the policy of promoting mini steel plants.

**SHRI GHULAM NABI AZAD:** There is a great demand for mini steel plants in the north-western States, particularly in Jammu and Kashmir. May I request the hon. Minister to tell us what steps Government of India are going to take in this behalf?

**SHRI CHARANJIT CHANANA:** The hon. Member was there in the Committee meeting which considered this question at Srinagar only three days back. But, for the information of the House, I would say this. I would like the hon. Member to appreciate one thing which was appreciated there also, that two factors are very important to decide the location of a unit, more so, a cement plant, one the technical viability and the other, the economic viability. But for Jammu and Kashmir, the Chief Minister, Jammu and Kashmir, also appreciated that we should not promote a unit which would generate pollution in the environment, especially in the border. But we welcome setting up of a cement plant in Jammu & Kashmir wherever technical viability is there.

**SHRI HARIKESH BAHADUR:** There is a serious crisis of cement throughout the country, but particularly in U.P. it is acute. Therefore, I would like to ask the hon. Minister whether Government is planning to set up new cement plants in U.P.

**SHRI CHARANJIT CHANANA:** State-wise description, I may not be

able to give to the hon. Member at this time. But there is no limitation on any State at all. All over the country, wherever there are technical viability and economic viability, we will not mind having a plant. But I would like the hon. Member to know one thing, that the existing installed capacity of cement industry is such that, once they are operated to an optimum level, they can feed the demand of the country in cement. When we take 85 per cent of the installed capacity as the operational one, we would welcome any technically and economically viable plant to come up.

#### **Crisis in Asansol-Durgapur Small Scale Units**

\*149. SHRI NIREN GHOSH: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government are aware that the small scale and ancillary units of Asansol-Durgapur area are facing crisis mainly due to raw material shortage and want of adequate orders from big industries; and

(b) if so, steps taken by Government to save these units as well as to solve the vast unemployment problem?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI CHARANJIT CHANANA): (a) Government are generally aware of the difficulties faced by the small scale units due to shortage of certain raw materials like steel, pig iron, aluminium, copper and copper alloys.

(b) Government have taken the following steps to mitigate the difficulties of the small scale industries in general arising out of raw material shortage:

(i) The distribution of raw material through the Small Industries Corporations in the State is being enlarged and streamlined.

(ii) Imports have been liberalised for actual users of industrial raw material.

(iii) The Canalising Agencies have been asked to import more material during the current year.

(iv) For helping the ancillary units, Committees have been set up at the Plant level, State level and Central level to monitor the distribution of scarce raw-materials through the State Small Industries Corporations and to look comprehensively into the development of ancillary units.

SHRI NIREN GHOSH: I want to know whether the Government of West Bengal has written to the Centre about this lack of critical raw materials generally prevailing for over a number of years—I can say, over a decade I want an assurance, if you can give, that those raw materials would be made available and the distributive agencies would be the Small Scale Industries Corporation of the Government of West Bengal. If that would be done that way or through a channel directly to them, that would help.

SHRI CHARANJIT CHANANA: In reply to his question I have already mentioned that it is always done through the State Small Scale Industries Corporation and West Bengal is no exception at all.

SHRI NIREN GHOSH: The question is: how the quota allotment is distributed among the different States of India. Secondly, is it not a fact that these big industries farm out their orders outside the State, when the ancillary units are available there to manufacture and supply to the big units all those items and, thereby, they enhance the cost of production of the big industries systematically over a number of years. I want to know whether this defect would be remedied.

SHRI CHARANJIT CHANANA: Even with regard to the existing net work of ancillaries around, for example—I can give the example of Asansol-Durgapur and if you want details, that