

into the project, which is normally not done, even if it had been done, then at that time itself, it would be Rs. 1,712 crores on account of escalation. That is naturally the inflationary escalation. The element of inflationary escalation is nearly 80% in the cost of escalation. Therefore, we cannot say that the cost that has gone up is in any way either due to anybody's fault or due to non-implementation or anything like that. The project is going according to schedule. I must say this to the House that the entire implementation of the project is according to schedule.

DR. KRUPASINDHU BHOI : I wanted an Inquiry Committee...

SHRI VASANT SATHE : Why should I have an Inquiry Committee unnecessarily? I do not believe in 'Committee-ology' having too many Committees.

SHRI E. AYYAPU REDDY : Thirty per cent of India's total bauxite is deposited in the east coast in Visakhapatnam. Is it a fact that the Russian experts who have been engaged to go into the feasibility of locating the aluminium project there have recommended location of the projects at Krishnadevapatnam in Visakhapatnam? And is it a fact that the Government of Andhra Pradesh has offered facilities—land, water and power—to the Government of India for locating the aluminium project there? If that is so, if these are facts, will the hon. Minister say what he is going to do for the purpose of locating the aluminium project there?

SHRI VASANT SATHE : As far as the Andhra aluminium project is concerned, the Russian experts in collaboration with India are examining the feasibility of the project and it is at an advanced stage. As soon as we have the feasibility report, we will be able to proceed further.

SHRI E. AYYAPU REDDY : Can you give the time?

SHRI VASANT SATHE : I cannot give the time.

Development of Coal resources in Orissa

*264 **SHRI RADHAKANTA DIGAL† :**
SHRI CHINTAMANI PANIGRAHI :

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

(a) whether some steps have recently been taken for the development of coal resources in Orissa;

(b) whether the developmental programme has been initiated with external assistance;

(c) if so, the names of the countries and financial institutions which are assisting in implementing the developmental programme of the coal resources available in Orissa; and

(d) the amount proposed to be spent on the development of coal resources in Orissa?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) :
(a) to (d). A Statement is given below.

Statement

(a) Yes, Sir. At present the coal production in Orissa is 5.44 million tonnes (1984-85). Some of the steps being taken up for the development of the coal resources in Orissa with a view to raising production to about 13 million tonnes by the end of Seventh Plan (1989-90) are :

- (i) Sanctioning of a new opencast coal project with annual output capacity of 3.50 million tonnes at Bharatpur and expansion of capacity of Jagannath Opencast mine from 1.00 m.t. to 2.00 m.t. per year.
- (ii) Action is in hand to update the project report for South Balanda mine for increasing its production to 1.00 m.t. per year from present level of production of 0.60 m.t. during 1984-85.
- (iii) Feasibility studies for opening a highly mechanised underground mine at Ananta are in progress.
- (iv) New opencast projects at Ananta, Kalinga and Lingraj block are also being planned for development, to meet the increasing requirement of coal by Power Sector.

(v) Feasibility of updating the mining methods in Nandira underground and Talcher underground mines is also being examined.

(vi) Drawing up a master plan of Talcher coalfield has also been taken up to identify major coal mining blocks for exploration and infrastructural requirements.

(b) and (c). Yes, Sir. Assistance of CHARBONNAGE DE FRANCE (an organisation of the France Government) has been sought for studying the feasibility of increasing the coal production from the Nandira underground mine in Talcher coalfields. The CHARBONNAGE DE FRANCE is also assisting in preparing a techno-economic feasibility for the development of a mechanised underground mine alongwith a beneficiation plant at Ananta, in Talcher coalfield. These studies are being funded from the French credit.

(d) During the year 1985-86, a provision of Rs. 22 crores (approx) has been made for coal mines of Orissa.

SHRI RADHAKANTA DIGAL : The hon. Minister in his reply has stated that feasibility study to increase the coal production from Nandira underground mine and also to set up a coal beneficiation plant at Ananta in Talcher has been undertaken with French assistance. I would like to know from the Government as to how much assistance has been given by the French organisation for the study and by which year the study is expected to be completed. What is the latest position ?

SHRI VASANT SATHE : The latest position is that in collaboration with CHARBONNAGE DE FRANCE, the organisation of France, we are studying the feasibility of increasing the coal production from the Nandira underground mine in Talcher coalfields. During 1985-86, a provision of Rs. 22 crores has been made for coal mines of Orissa, and this project is one of them.

SHRI RADHAKANTA DIGAL : I would like to know from the hon. Minister the total quantum of coal produced in the coalfields of Orissa at present, whether there is enormous potential for development of

coal resources of the State and in view of the increase in demand for power whether the Government proposes to implement the suggestions given by the Government of Orissa to set up two coal-based super thermal power plants, one at Talcher and the other in Ib Valley in that State.

SHRI VASANT SATHE : Yes, Sir, there are good prospects in Orissa. The coal reserves that have been discovered are very good and substantial. If figures are needed, the proven coal reserves in Talcher coalfields are 912.95 million tonnes and in Ib Valley 82.79 million tonnes—good quality of coal. In the Seventh Plan, priority has been given for the development of the said coalfields in Orissa. From 1984-85 to 1988-89, in the case of Talcher coalfields we propose to go to the tune of 8.90 million tonnes and in Ib Valley we propose to increase from 2 to 5 million tonnes; the total from 5.44 to 13.90 million tonnes.

SHRI CHINTAMANI PANIGRAHI : I would like to know from the Hon. Minister whether the Government is aware that Talcher belt has the thickest coal deposits—about 145 feet is the thickness—which is perhaps, the highest in our country. Secondly, whether Government is also aware that the overburden coal ratio in Orissa is only 1 : 1.3 whereas in other parts of our country it is 1 : 4.5. That means the cost of production of coal in other parts of the country is very high and in Orissa it is the cheapest. Therefore, in view of this deposit and thickness and cheapness of production, I would like to know from the Hon. Minister whether in the entire Sixth Plan it was neglected for the development of coal fields in Orissa. By merely granting Rs. 22 crores in 1984-85 do they think that they will meet the requirements of them when so much of deposit and reserve and thickness is there in Talcher. I would also like to know from the Hon. Minister what is the French credit for having them and whether some Soviet credit is also available for this area.

The Headquarters of the Central Coal Fields is in Ranchi and the Headquarters of Western Coal Fields is in Nagpur. In view of the big deposits that the Hon. Minister has just now explained to the House, whether both these coal fields and the Talcher coal

fields will be united into one coal field with Headquarters in Orissa ?

SHRI VASANT SATHE : Sir, too many questions at one go. I am not aware of the exact amount at present. I will give the figures to the Hon. Member of the French credit involved. But I can say one thing I said that Rs. 22 crores in 1985-86, but the total amount which we have earmarked for the Seventh Five Year Plan in Orissa alone is Rs. 200 crores and above. Therefore, the Government is anxious and is eager to exploit the rich reserve of coal in Orissa.

I agree with the Hon. Member that the coal deposits in Orissa are economically viable because of the ratio of over burden to coal.

SHRI JAGANNATH RAO : Sir, the statement laid on the table of the House by the Hon. Minister speaks about long-term measures. What about short-term measures? In Orissa, the Talcher coal has a high ash content. The boilers were so designed by USA to suit this type of coal. The boilers are there in fact Utkali. What we require is E.S.P. (Electro Static Precipitators) which can remove the waste and abrasives. What step the Government has taken as this Ministry is in charge of the administration of Coal Mine Conservation and Development Act ? What action has this Ministry taken for the last ten years and what are they going to do now to help the OSEB to improve the power generation because we are thinking of putting up a super thermal power station. Are you going to carry coal to local stations ? You are only taking a mother-in-law attitude. That is my complaint Sir.

SHRI VASANT SATHE : We are not taking mother-in-law attitude, we are taking mother attitude. That will be seen from the fact that I have myself visited Talcher and I saw the OSEB Power Station and their problem. The problem is not only about the boiler and the precipitator, but also about the conveyor there.

(Interruptions)

A good mother-in-law excepted.

Sir, what we have done is at we have advised the Orissa Government. The cost of replacing the conveyor belt will not be very high. That will immediately make

possible for the conveyor to carry more coal and have better utilisation of the power house. We can only give advice. Whatever assistance we can give as far as coal is concerned, as we have assured them that we will see that proper coal is made available to them. What more you want us to do for them ?

(Interruptions)

Losses suffered by Hindustan Steel Works Construction Limited

*266. **SHRI K. S. RAO :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the details of the losses suffered by Hindustan Steel Works Construction Limited as on the 30th June, 1985;

(b) whether there is any proposal to give away this Corporation to private management; and

(c) if so, the details thereof and what is the present position ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) Accumulated losses till 1983-84 were of the order of Rs. 80 crores. The accounts for 1984-85 and beyond have not been finalised so far.

(b) No, Sir.

(c) Does not arise.

SHRI K. S. RAO : The intention of the Government to-day is production-oriented. In case of these companies where is no dearth of technical knowledge or competency, where is the need for continuing these construction companies which are adding to the burden of the Exchequer every year and year after year ? Apart from the loss, they are also not getting any income by way of income tax or any other income to the Government. So I just want to know from the hon. Minister if there is any proposal with the Ministry to find out such companies which are causing heavy losses every year either to wind them up or to find out the ways to reduce the losses.

SHRI K. NATWAR SINGH : The width and range of the supplementary is quite staggering. I can only answer with regard to the Ministry of Steel. Naturally Government