

(c) if so, the steps taken for the extraction of gold in the new gold reserved areas in Orissa; and

(d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) The number of operating gold mines in the country during 1997-98 were seven.

(b) Gold reserves have been found in Karnataka, Rajasthan, Andhra Pradesh, Madhya Pradesh, Maharashtra and Kerala. In Orissa only occurrences of gold have been found.

(c) and (d) Do not arise.

Sukhinda Chrome-ore Mines to Private Companies

2256. SHRI GHUFRAN AZAM: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the attention of government has been drawn to the press news-item captioned "pressure to clear Sukhinda lease" as reported in the Statesman dated the 16th April, 1998;

(b) if so, whether the private sector companies which propose to take over Sukhinda Chrome-ore mines have been pressing Government to hand over the mines to them; and

(c) if so, what is Government's latest view in this regard and steps taken to cancel lease of such mines in favour of private companies?

THE MINISTER OF STEEL AND MINES (SHRI NAVEEN PATNAIK): (a) Yes, Sir.

(b) and (c) As per provision of the Mines and Minerals (Regulation and Development) Act, 1957, mining lease can be granted to an Indian national or a Company as defined in sub-section (1) of Section 3 of Companies Act, 1956 by the concerned State Government. However, for a mineral listed in the First Schedule of the aforesaid Act, prior approval of the Central Government is required be-

fore grant of the mining lease by the concerned State Government. In accordance with these provisions, some Companies have been requesting the State Government of Orissa to grant them mining lease for Chrome Ore in Sukhinda Valley.

The State Govt. of Orissa had sent a proposal dated 24th June, 1997 to the Ministry of Mines seeking approval for the grant of mining lease for chrome ore in Sukhinda Valley of Orissa over 50% of the balance area of 855.476 hectare which had become available for grant after the second renewal of the mining lease of TISCO for a reduced area, in favour of four parties, i.e. M/s. Indian Metal and Ferro Alloys (IMFA) Indian Charge Chrome Ltd. (ICCL), M/s. Ispat Alloys, Ms. Ferro Alloys Corporation Limited (FACOR) and M/s. Jindal Strips. The proposal was for grant of only 50% of the area of 855.476 ha. whereas the Central Government's Order dated 17th August, 1995 had requested the State Govt. to send the proposal for grant of mining lease in favour of the aforesaid four parties for the total area of 855.476 hectares.

While the aforesaid proposal of the State Govt. dated 24th June, 1997 was under examination, Shri M.C. Mahapatra, the then Joint Secretary in this Ministry who was handling the matter, died on 27th September, 1997, allegedly as a result of jumping from the office building of Shastri Bhawan. The police took up the investigations of the circumstances relating to the death of Shri Mahapatra. Initially, the matter was being investigated by the Delhi Police and subsequently by the Crime Branch of the Delhi Police. Later on, the investigations were entrusted to the Central Bureau of Investigation (CBI) by the Ministry of Home Affairs. The entire original record in respect of the proposal for grant of mining lease of Sukhinda Chrome Ore mines have been taken over by the CBI and any further action in the matter regarding consideration of the aforesaid proposal for grant of mining lease can be

taken up only after return of the original records by the CBI who are still investigating the matter.

Subsequently, another proposal dated 30th March, 1998 was received from the State Govt. of Orissa seeking the views of the Central Govt. on their proposal to undertake mining operations of Chrome Ore over an area of 190.80 hectares. (the same area which was earlier recommended by the State Govt. for grant of mining lease in favour of M/s. IMFA/ICCL) in Sukhinda Valley under Section 4(3) of the Mines and Minerals (Regulation and Development) Act, 1957 (MMR&D Act) and to engage M/s. IMFA/ICCL as an agent of the State Govt. to undertake mining operations in the aforesaid area under Rule 75(2) of the Mineral Concession Rules, 1960. Since the proposal of the State Govt. was not found to be consistent with the provisions of the MMR&D Act, particularly Section 4(3) of the Act *ibid*, which allows on the State Govt. to undertake mining and does not recognise mining operations by the State Govt. through an agent. The aforesaid proposal of the State Govt. was returned to them on 23rd April, 1998 conveying Central Government's views to the effect that the proposal is not consistent with the provisions of the MMR&D Act.

Subsequently the State Govt. of Orissa vide Notification dated 17.6.98, has notified under Rule 75(1) of Mineral Concession Rules, 1960 that the State Government proposed to undertake mining operations for chrome ore over an area of 119.08 ha. in Village Kalapani, District Jaipur in Sukhinda Valley. The State Govt. of Orissa vide its Order dated 17.6.98 has also granted working permission to M/s. ICCL to undertake mining operations of chrome ore over the above mentioned area as an agent of the State Govt. under the provisions of sub-rule (2) of Rule 75 of the Mineral Concession Rules, 1960 for a period of 2 years or approval of lease in their favour by Central Government whichever is earlier.

M/s. FACOR has filed a writ petition before the Hon'ble High Court of Orissa, challenging the above mentioned Order of the State Govt. dated 17.6.98 regarding grant of working permission to M/s. ICCL to undertake mining operations as an agent of the State Govt. The writ petition has been posted for hearing on 7th July, 1998 and thus the matter is subjudice.

Decline in Profit of SAIL

2257. SHRI JANARDHANA POOJARY: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether SAIL's profit has declined during the current year;

(b) if so, the extent thereof; and the reasons therefor; and

(c) the details of the steps taken to stop fall in profit?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) and (b) The profit (before tax) of SAIL for the year 1997-98 was approx. Rs. 149 crores (subject to CAG Audit) against Rs. 588 crores in 1996-97. Profits were lower in 1997-98 because of slow down in demand for steel, greater competition from imports, and enhancement in supplies in domestic market. Further, the profits were adversely affected by increase in input prices primarily of coking coal, petroleum products, power, transportation and higher interest cost which could not be fully neutralised by better techno-economic parameters, cost reduction measures and increase in the prices of steel, etc.

(c) SAIL has taken number of steps to improve the performance, which inter-alia include reduction in cost by improving the techno-economic parameters, demand oriented production, improving quality of products, and increasing sales through aggressive and customer oriented marketing, etc.