

Salem Steel Plant

*769. SHRI SHYAMLAL GUPTA : Will the Minister of STEEL AND MINES be pleased to state :

- (a) the progress made so far in the setting up of Salem Steel Plant ;
- (b) whether the project report of the Project has been finalised ;
- (c) if so, the details thereof; and
- (d) if not, the reasons for the delay and when the report is expected to be finalised ?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL AND MINES (SHRI SUKHDEV PRASAD) : (a) to (d) A statement is laid on the Table of the House.

STATEMENT

(a) Salem Steel Plant is being designed for an annual production of 195,000 tonnes of stainless steel, electrical steel, mild steel and other carbon steel sheets and strips. A separate company by the name of "Salem Steel Limited" was incorporated on October 25, 1972 with its Registered Office at Salem for implementing the Project.

The land required for the plant proper, has already been acquired and site preparation work is in progress. Steps are being taken for development of infrastructure facilities.

(b) to (d) The detailed Project Report for the Salem Steel Project is expected to be available in about an year. Meanwhile, preparatory steps are being taken for the first phase of the project which envisages the establishment of a cold rolling mill complex for production of 30,000 to 35,000 tonnes of cold rolled stainless steel sheets/ strips.

SHRI SHYAMLAL GUPTA : This Salem Steel Plant is a pigmy project in

comparison to other steel plants. The Company was started on October 25, 1972. But up till now the project report has not been made. The Minister states that it will take about a year more for the project report. In Japan and other places, it hardly takes 4 months, as per the statement of the Minister during the last week. Is it not our inefficiency that we are taking two years for a project report only? By what time will the first phase of the Salem plant be ready?

SHRI T. A. PAI : Sir, it is not a pigmy project. Maybe because we are thinking in terms of thousands of crores of rupees, 340 crores of rupees may appear to be a small amount. But for this poor country, 340 crores of rupees is a fairly big amount and, therefore, I would very much like to see whether even this investment is necessary I for this project. The whole project is being reviewed to see that it is executed within the shortest time and with the maximum economy. We are going to have it in two stages. The first phase will be a cold rolling mill complex installed for cold reduction of 30,000 to 35,000 tonnes of hot rolled stainless steel sheets. For this, hot rolled coils would have to be imported for about three years. In the second phase, facilities would be added for the melting and refining of stainless steel. In addition, continuous casting and hot rolling facilities would be established to feed the cold finishing lines. In this stage, all the facilities required for the manufacture and processing of silicon and other special steel sheets and strips would be put up. An outlay of 185 crores of rupees has been proposed in the Fifth Plan. This should take care of the first phase of the programme.

SHRI SHYAMLAL GUPTA : Rupees 300 and odd crores may be a very big amount. But when this project is finalised, it may go up to 1,000 crores as is quite usual with our steel plants. May I know from the hon. Minister by what time this project

will be finalised and what will be the total cost of this project ?

SHRI T. A. PAI : Sir, as I have already pointed out, the estimate is about 340 crores of rupees and I do not expect it to go up to 1,000 crores of rupees. The idea is to see that once it is taken up, it should be completed in all its details and all decisions should be implemented on a commercial basis.

SHRI JANARDHANA REDDY : May I know from the hon. Minister at what stage the Visakhapatnam Steel Plant stands? Has any amount been allotted for that plant during the next financial year?

SHRI T. A. PAI : An amount of 225 crores of rupees has been allotted for Visakhapatnam steel plant and shortly we shall go ahead with the registration of the company. As I have already indicated we are trying to see that an effort is made to provide the maximum amount possible in the Fifth Five Year Plan itself to undertake this project.

SHRI C. D. PANDE : Sir, it is a historic change. Seven years have passed when the General Elections took place in 1967.

MR. CHAIRMAN : If you want to have a preamble for everything . . .

SHRI C. D. PANDE : May I know whether this scheme for the establishment of 3 steel plants at Visakhapatnam, Hospet and Salem was announced in 1967 just before the General Elections to boost the elections? Mr. K. C. Pant who was in charge of this Ministry at that time went post haste to these places to announce without knowing what was being announced. Seven years have passed and even the project report is not ready. May I know how much time will be taken for executing the project and starting production?

MR. CHAIRMAN : This question has I already been answered. Mr. Pande, how •

many times can the same question be asked? Mr. Gupta had put that question.

SHRI C. D. PANDE : He said 2 years. I say 7 years.

SHRI T. A. PAI : I do not know what the steel plants have to do with the general elections. . .

SHRI C. D. PANDE : Sir, in 1967. . .

MR. CHAIRMAN : Let him answer the question.

SHRI C. D. PANDE : Is it not a fact that these steel plants were announced in 1967 just before the General Elections?

SHRI T. A. PAI : Different parts of the country have been trying to have steel plants because they think that the steel plants will solve their economic problems and will bring about a better life for their people. As some people are aware, it has been the desire of the Tamil Nadu Government to have the Salem plant. The Andhra Government wanted to have the Visakhapatnam plant and the Mysore Government wanted to have a plant in Vijayanagar.

And after a broad study of the implications of this when new plants are to be taken up these are given priority and I do not see anything wrong even in having decided to have it seven years ago but our capacity to go ahead depends upon the resources available.

SHRI A. G. KULKARNI : May I know what were the total estimates made by the Steel Ministry for steel production programmes in the Fifth Plan, what are the actuals now being worked out and in view of the price rise what will be the achievement?

SHRI T. A. PAI : In the Fifth Plan out expectations were to complete the projects so far as Bokaro and Bhilai are concerned. We are not expecting any production from Visakhapatnam and other plants except to

the extent of some production from the Salem plant.

SHRI A. G. KULKARNI : In crores of rupees.

SHRI T. A. PAI : We have estimated the cost of about Rs. 850 crores each for these two plants and Rs. 340 crores for the Salem plant.

SHRI A. G. KULKARNI : How much has been sanctioned?

SHRI T. A. PAI : It is yet under consideration.

SHRI MONORANJAN ROY : Is the Minister aware of the demand of the workers and the people of West Bengal, particularly of Durgapur plant workers and engineers, for expansion of stainless steel . . .

MR. CHAIRMAN : Kindly put a relevant question relating to Salem.

SHRI MONORANJAN ROY : His predecessor knew it very well. Anyway is he aware that when the question of Salem plant was announced this question again came up for expansion of Durgapur Alloy Steel plant for production of stainless steel and what is the position about stainless steel now?

MR. CHAIRMAN : I disallow that question.

SHRI HARSH DEO MALAVIYA : I would like to know which is the agency for preparing the project report. My question is, is it possible for Indian talent to prepare the project report or is there a possibility now or in the future of seeking foreign collaboration?

SHRI T. A. PAI : We have a Government organisation MECON. There are enough consultancy organisations within the country but it would always be prudent to learn the latest—and avoid mistakes—from any part of the world wherever it is available.

Defence Research Development Organisation

*770. SHRI K. P. SINGH DEO : Will the Minister of DEFENCE be pleased to state :

(a) when was the Defence Research and Development Organisation set up;

(b) what are its main terms of reference, aims and objectives, and the number of personnel employed in the Organisation;

(c) what has been the annual outlay since its inception till now, and the corresponding increase in personnel ' (category-wise/field-wise); and

(d) the number and details of the institutions under the Research and Development Organisation and the particular fields and areas in which they are engaged at present?

THE MINISTER OF STATE (DEFENCE PRODUCTION) IN THE MINISTRY OF DEFENCE (SHRI VIDYA CHARAN SHUKLA) : (a) to (d) A Statement is laid on the Table of the House. [See Appendix LXXXV, Annexure No. 95]

SHRI K. P. SINGH DEO : With reference to Statements A and B I would like to know whether in spite of the Defence Research and Development Organisation which was started in 1958 it is not a fact that the entire requirement of special metals and super alloys which are known as tailor-made alloys with regard to aeronautics, electronics, instruments, rockets and missiles is still being imported by us. What steps Government are taking keeping in view self-reliance and self-sufficiency with regard to these special alloys and metals I would like to know. Are they envisaging the setting up of a special alloy steel plant for the defence sector and what is the imported content that we are getting for these various things?

SHRI VIDYA CHARAN SHUKLA : It is true that various non-ferrous alloys