

**GOVERNMENT OF INDIA
MINES AND MINERALS
LOK SABHA**

UNSTARRED QUESTION NO:2488
ANSWERED ON:10.03.2000
CLOSURE OF PLANTS OF HINDUSTAN ZINC LIMITED
NAMDEO HARBAJI DIWATHE

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

- (a) whether Hindustan Zinc Limited is contemplating to close down some of its plants as the cost of pollution control machine is prohibitively high;
- (b) if so, the details thereof;
- (c) whether lowering of import duty on Lead has badly affected the domestic industry which is on the brink of closure; and
- (d) if so, the details of action taken/proposed to be taken to protect domestic Lead Industry from closure?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES AND MINERALS

(SMT. RITA VERMA)

(a) and (b): Operation of lead smelter of Hindustan Zinc Limited (HZL) at Visakhapatnam has been stopped with effect from 1.8.1999 due to prohibitive cost of meeting pollution control measures and economic unviability.

(c) and (d): Domestic lead industry has been affected mainly due to low grade of ore in the country and steep decline in London Metal Exchange (LME) price for lead from US \$ 737 per tonne in 1991 to US \$ 451 per tonne in February 2000. Further, it is affected by environmental considerations peculiar to this industry, which are gaining momentum internationally. Prof. Raja J. Chelliah Committee appointed by the Government for tax reforms had, inter alia, recommended in 1993 that the customs duty on import of lead should be reduced to 20% by 1997-98. Presently, the basic customs duty on import of lead is 35%, there is surcharge of 10% and Special Additional Duty (SAD) of 4%, thus aggregating to 42.5%. Import of lead concentrate has been put on the Open General Licence (OGL) to increase availability of raw material for primary producers of lead. Moreover, in order to increase production of lead through the secondary route in an environmentally sound manner the Government has decided, inter alia, that with effect from the 31st December, 1999, only such units which are actual users and enlisted with Ministry of Environment & Forests shall be allowed to participate in the auctions of old/used lead-acid batteries by various public/private and Government (State/Central/Union Territories) organisations.