

(c) the steps taken by Government to avoid such recurring losses ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI SHAHNAWAZ KHAN) : (a) and (b). The total loss incurred by Mining and Allied Machinery Corporation Ltd., from 1967-68 to 1970-71 is Rs. 25.87 crores. This has been analysed as under :

| | |
|--|--------------------|
| (i) Operating loss | Rs. 8.37 crores |
| (ii) Interest on Government loans | Rs. 8.24 „ |
| (iii) Depreciation | Rs. 6.10 „ |
| (iv) Expenditure during construction not capitalised, written off as deferred revenue expenses | Rs. 3.16 „ |
| | <u>Rs. 25.87 „</u> |

(c) The main reason for the losses has been lack of adequate orders for the type of coal mining equipment for which the plant was set up. Other contributory factors are (i) technological problems of diversification ; (ii) lack of orders of repetitive nature for batch production ; (iii) low productivity in the plant ; (iv) industrial unrest ; (v) imbalance in loading of various shops and sections ; (vi) heavy overheads, including depreciation and interest charges and (vii) organisational deficiencies. A number of steps have been taken for increasing production ; some of the important ones are (i) re-organisation of personnel at Senior Management level ; (ii) diversification of production ; (iii) strengthening of production planning and control ; (iv) introduction of incentives for workers and (v) improvement of industrial relations with a view to reducing the excessive burden of interest on loans, and having regard to the history of the undertaking, it has also been decided to reorganise the capital structure of the company.

Loss Incurred at Heavy Engineering Corporation, Ranchi

2602. **SHRI M. S. SIVASAMY :** Will the Minister of STEEL AND MINES be pleased to state :

(a) whether Government have made any enquiry into the cumulative loss of Rs. 74.40 crores incurred by the Heavy Engineering Corporation, Ranchi since 1958 ;

(b) if so, the sectors in which these losses have occurred ; and

(c) the steps taken by Government to arrest the recurring losses of the said Corporation ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI SHAHNAWAZ KHAN) : (a) and (b). The cumulative loss incurred upto the 31st March, 1970 is Rs. 58.90 crores. The accounts for 1970-71 are yet to be finalised. The total loss upto 31st March, 1971 is provisionally estimated at Rs. 75.99 crores.

The losses have occurred as under :

| | Rs. crores |
|-------------------------------|--------------|
| Foundry Forge Plant | 40.23 |
| Heavy Machines Building Plant | 28.04 |
| Heavy Machine Tools Plant | 6.82 |
| | <u>75.09</u> |

(c) In the initial years of production, losses in projects of this size and type are inevitable due to heavy investments and long gestation period. To a certain extent, the losses incurred by Heavy Engineering Corporation can also be attributed to slow build up of production due to a combination of factors, including unsatisfactory industrial relations. The heavy burden of interest, depreciation and overheads has also contributed to these losses.

A number of steps have been and are being taken over a wide front to improve planning and production control, instal objective-oriented programmes, improve the efficiency of management and the productivity of workers. As a result of these measures, the performance of H. E. C. has already shown some improvement.

Hindustan Steelworks Construction Limited

2603 **SHRI M. S. SIVASAMY :** Will the Minister of STEEL AND MINES be pleased to state :

(a) the reasons for the fall in net profits of Hindustan Steelworks Construction Limited during 1969-70 compared to 1965-66 ; and

(b) the steps taken by the Company to go into the question of declining profits ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI SHAHNAWAZ KHAN): (a) The net profit shown in the Annual Report and Accounts of Hindustan Steelworks Construction Ltd. for the years 1965-66 and 1969-70 are not comparable. In 1965-66, only the site levelling work for the Bokaro Project had been undertaken and the entire surplus in the Contract Account was transferred to Profit and Loss Account. However, in 1969-70, the Company was engaged in civil engineering and structural fabrication work which extends over a period of 3 to 4 years and the final accounts of the Contract can be made up only after the completion of the work. In these circumstances, only a portion of the surplus in the Contract Account was transferred in 1969-70 to the Profit and Loss Account and the balance of as much as Rs. 1.48 crores transferred to the head "Works in Progress" Account.

(b) In view of the circumstances explained in (a) above, question of the Company taking any special steps to increase the profits does not arise.

Non-Deposit of E. P. F. by Calcutta Corporation

2604. SHRI JYOTIRMOY BOSU: Will the Minister of LABOUR AND REHABILITATION be pleased to state:

(a) whether his attention has been drawn to the fact that the Calcutta Corporation authorities have not deposited Employees' Provident Fund amounting to 40 lakhs of rupees; and

(b) if so, the action being taken in this regard?

THE MINISTER OF LABOUR AND REHABILITATION (SHRI R. K. KHADILKAR): (a) and (b). The Provident Fund authorities have reported that the entire Calcutta Corporation is not covered under the Employees' Provident Funds and Family Pension Fund Act, 1952, but only 3 units of the Corporation namely (i) Printing Press (ii) Entally Workshop and (iii) Motor Vehicle Workshop are covered under the above Act. The application of the Corporation for grant of exemption under para 27A of the Employees' Provident Funds Scheme, 1952 has since been rejected by the State Government. The ques-

tion of securing compliance in respect of the above 3 units is under consideration of the Provident Fund authorities. The exact amount payable by the Corporation could not be verified in the absence of the returns required to be submitted by the Corporation.

Recommendations made by Committee on Review of Rehabilitation Work in West Bengal

2605. SHRI JYOTIRMOY BOSU: Will the Minister of LABOUR AND REHABILITATION be pleased to state:

(a) whether the Committee on Review of Rehabilitation Work in West Bengal in its Eighth Report to the Minister have recommended establishment of two Industrial Training Institutes in Calcutta at a total estimated loss of Rs. 14.98 lakhs;

(b) whether, according to the Committee, the Institutes in two shifts would be able to train 448 displaced women; and

(c) if so, the action, if any, taken on the said recommendation?

THE MINISTER OF LABOUR AND REHABILITATION (SHRI R. K. KHADILKAR): (a) and (b). Yes, Sir.

(c) The report of the Committee is under consideration in consultation with the West Bengal Government and other concerned authorities.

Production of Steel

2606. SHRI JYOTIRMOY BOSU: Will the Minister of STEEL AND MINES be pleased state:

(a) the total demand and production of various categories of steel in India during the years 1970-71 and 1971-72;

(b) the total quantity and value of each category of steel imported during the above period;

(c) the established demand for each category of steel by the end of the Fourth Five Year Plan; and

(d) how this demand is proposed to be met?