

ESTIMATES COMMITTEE

FIRST REPORT

1957-58

SECOND LOK SABHA

**ACTION TAKEN BY GOVERNMENT ON THE
RECOMMENDATIONS CONTAINED IN THE
THIRTEENTH REPORT OF THE
ESTIMATES COMMITTEE
(FIRST LOK SABHA)**



**LOK SABHA SECRETARIAT
NEW DELHI**

1957

CORRIGENDA:

- In page 11, column 3, line 2, for 'wastage' read 'wastages'.
In page 21, column 4, lines 9 & 10, for 'miles' read 'millo'.
In page 36, column 4, line 5, for 'Not' read 'note'.
In line 8, for 'N.R.E.S.R.' read 'N.R. and S.R.'.
In page 39, column 4, matter contained in lines 6 to 17 may be shifted to page 41, column 4, after line 5.
In page 41, in the heading after 'Hindustan' delete letter 'S'.
In page 45, column 4, line 5, for 'enquired' read 'enquire'.
In page 48, line 3, for 'PERSUED' read 'PERSUED'.
In page 59, column 5, line 24 for 'Sub-Committee' read 'Committee'.
In page 68, line 28, for 'is' read 'are'.
In page 70, line 4, delete 'the'.
In page 77, line 11, for 'requiries' read 'requires'.
In page 77, line 17, for 'cultivator' read 'cultivators'.
In page 78, line 4, for 'measures' read 'measure'.
In page 78, line 12, for 'distribution' read 'distribution'.
In page 81, lines 4 and 10, for 'occurences' read 'occurrences'.
In page 84, para 2, line 3, for 'gree' read 'agree'.

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MEMBERS OF THE ESTIMATES COMMITTEE, 1957-58

1. Shri Balvantray Gopaljee Mehta—*Chairman.*
2. Shri S.A. Dange
3. Shri Jogendra Singh
4. Shri Mahavir Tyagi
5. Shri Satyendra Narayan Sinha
6. Shri Radha Charan Sharma
7. Shri Ranbir Singh Chaudhuri
8. Shri Gopalrao Khedkar
9. Shrimati Sucheta Kripalani
10. Shri R.R. Morarka
11. Shri M. Thirumala Rao
12. Shri J. Rameshwar Rao
13. Shri C.R. Narasimhan
14. Shri Amjad Ali
15. Shri R. Ramanathan Chettiar
16. Shri Ahmed Mohiuddin
17. Shrimati Renuka Ray
18. Shri Uma Charan Patnaik
19. Shri Raghubir Sahai
20. Pandit Dwarka Nath Tiwary
21. Shri Govind Malaviya
22. Shri R.L. Jangde
23. Shri N.C. Kasliwal
24. Shri Dodda Thimmaiah
25. Shri M.L. Dwivedi
26. Shri A.E.T. Barrow
27. Shri V.P. Nayar
28. Shri R.K. Khadilkar
29. Shri B.K. Gaikwad
30. Shri Shraddhakar Supakar.

SECRETARIAT

Shri S. L. Shakhder—*Joint Secretary.*
Shri A. R. Shirali—*Deputy Secretary.*
Shri C. S. Swaminathan—*Under Secretary*

INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee, present this first Report of the Estimates Committee of the Second Lok Sabha on the action taken by the Government on the recommendations contained in the Thirteenth Report of the Estimates Committee of the First Lok Sabha.

2. The Thirteenth Report of the Estimates Committee of the First Lok Sabha was presented to the House on the 12th September, 1955. The Government furnished their replies to the recommendations pertaining to the Hindustan Housing Factory Ltd., on the 7th November, 1955; to the Nahan Foundry Ltd., on 14th January, 1956; to the Hindustan Cables Ltd., on 31st January, 1956 and to the Sindri Fertilisers and Chemicals Ltd., on the 14th February, 1956. A Sub-Committee of the Estimates Committee, 1955-56, examined the replies pertaining to the Sindri Fertilisers and Chemicals Ltd., the Hindustan Cables Ltd., and the Nahan Foundry Ltd., on the 31st May, 1956. The replies pertaining to the Hindustan Housing Factory Ltd., were examined by a Sub-Committee of the Estimates Committee 1956-57 on the 13th and 23rd August, 1956. The comments of the Sub-Committees were communicated to the Government and the further replies received from them were examined by the Sub-Committee of the Estimates Committee (1957-58) on the 27th July, 1957; 29th July, 1957 and 14th August, 1957. Comments of this Sub-Committee were also communicated to the Government and the replies received from them have been included in this Report.

3. The Report has been divided into four Chapters :

- I. Report.
- II. Recommendations that have been accepted by the Government.
- III. Replies of the Government that have been accepted by the Committee.

(iv)

IV. Replies of the Government that have not been finally accepted by the Committee and are being pursued.

4. An analysis of the action taken by Government on the recommendations contained in the Thirteenth Report is given at Appendix VIII.

BALVANTRAY G. MEHTA,

Chairman,

NEW DELHI ;

Estimates Committee.

The 27th November, 1957.

CHAPTER I

REPORT

The Estimates Committee, in para 18 of their Thirteenth Report, pointed out that the position of supply of spare parts in the Sindri Fertilizers and Chemicals Limited was not satisfactory. They suggested, among other things, that the Company should explore all avenues for getting the spare parts produced in India and for that purpose should know the capacity in the major engineering works so that in case of any emergency a part could be got manufactured or repaired without delay. Government stated in reply that efforts were being made to obtain the spare parts from indigenous sources. On further inquiry, it transpired that about 50 per cent of the requirements of spare parts were still being procured from foreign sources. Asked whether a list of spare parts which should be met only by imports had been prepared, Government stated that such a list had not been prepared because the decision for importing a spare part was taken on each case after making enquiries as regards its availability from indigenous sources. The Committee feel that a list of spare parts which can be met only by imports should be drawn up, and that the list should be periodically reviewed so that information is readily available about the leeway still to be made in the matter of indigenous production of spare parts. They are further of the view that the list and necessary information regarding the items therein should be made available to Associations of manufacturers and Engineering Industries and the possibilities of utilising spare capacity in Defence Industries should also be explored.

2. In para 24 of the Report, the Estimates Committee recommended that an enquiry should be instituted to fix responsibility for the faulty designing and construction of the Power Station at the Sindri Fertilizer Factory. Government stated in reply that although generators were provided for a total maximum firm capacity of 60 M.W., the Consulting Engineers had been asked to design capacity sufficient to produce a power load of 53 M.W. *i.e.* the actual requirements of the Factory only. Six boilers were accordingly installed. It was considered that there would be no difficulty in having 5 boilers available throughout the year and that even during the short periods when one of the five also might be out of commission, the remaining four would be able to take up the load of the five under conditions of efficient maintenance. In actual practice, however, the boiler plant availability was stated to be less than anticipated, mainly due to the standard of maintenance being not as high as envisaged. It was stated "Standards of maintenance obtainable in India cannot obviously be compared to those obtaining in the technically more advanced countries of the West." The Committee feel that the designing of a powerhouse to produce a powerload less than the capacity of the generators was a short sighted policy. The unsatisfactory standard of maintenance and boiler output which is given as a reason for shortfall in production has to be further analysed into its basic causes such as unsuitability of the boilers for existing conditions, lack of technical manpower, defective designs, inadequacy of spares and working capacity etc. If the standards of maintenance available in India cannot 'obviously' be compared to those obtaining in technically more advanced countries, it is hard to understand why such an obvious factor was ignored in designing the capacity. The Committee feel that further investigation

is called for in this direction. They would further like to know whether any other power plant in this country has experienced difficulties for reasons similar to what have been stated in the reply. The Committee would also like to have the comments of the Ministry of Irrigation and Power on this matter.

3. In Chapter III of the Report, the Estimates Committee had examined the working of the Hindustan Housing Factory Limited, which was being run by the Government of India in partnership with an Indo-Swedish firm Messrs. Basakha Singh Wallenborg Ltd. The position in respect of the factory has changed, after the Estimates Committee had presented the Report and it is now a fully government owned factory. While, therefore, accepting the replies of the Government to the recommendations, the Committee feel that in view of the chequered career of the undertaking which had caused considerable losses to Government at every stage since its inception, and in view of the fact that a considerable amount was being invested again by the Government for the resuscitation of the factory, a fresh examination of the present venture, viz. Hindustan Housing Factory (Private) Limited, is necessary and they expect to take it up shortly.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

S. No. of the Report	Summary of Recommendations	Reply of the Government
1	3	4

SINDRI FERTILISERS AND CHEMICALS LTD.

The technical staff for the Urea and double salt plants should be sent to Italy sufficiently early so that they may study every aspect of work right from the actual fabrication of the plant to its assembly, erection and working. If this is done then it would perhaps be easier for them to handle a break down, being familiar with every part of the plant, as well as all the aspects of its working. In the event of further expansion of similar lines such training would stand in good stead. Technical know-how is lacking in this country and Government should seriously consider how best to build it up, even if it means some additional expenditure.

This policy has already been decided upon and two technical officers (one from operation and another from maintenance side) of the Sindri Fertilizer Factory are already in Italy. It has been decided in agreement with the contractors to send further batch 3 at the most appropriate times.

(Ministry of Production O.M. No. Fy. I-13 (1)/56, dated the 14th February, 1956)

[Comments of the Sub-Committee 1955-56

The Ministry may be requested to state as to when this policy was decided upon and what are the results reached so far.]

The policy regarding sending of two technical officers (one from operation and another from maintenance side) from the factory to Italy was decided at the meeting of the Board of Directors on 4th July, 1955. Of the above two officers one has returned after training and other is still undergoing training. Sindhri has subsequently deputed a batch of eight operational and six maintenance staff for training in the operation and maintenance of plants similar to these being set up here by M/S. Montecat

It is proposed to send a further batch for training abroad by October/November this year.

(Ministry of Production O.M. No. Fy. I-13 (1)/55, dated the 29th September, 1956.)

[Further information required by the Committee :

For Production department the Company have so far deputed 19 officers of whom 18 have returned after training.

The Ministry may please intimate the latest position in respect of training of staff.

On return most of them have been posted for erection and other connected works.

(L.S.S. O.M. No. 54(1)-EC-1-56 dated the 22nd April, 1957.)

- (1) Under the Colombo Plan the Supdt. Training was sent for training to U.K. in 1956. He has since come back after training. A further batch of officers will be sent by July-August, 1957.

[Information required for the Committee:

A copy of the new agreement entered into by Sindri with D.V.C. may be furnished.

[L.S.S. O.M. No. 54(1)-EC-I/55, dated the 6th April, 1956.]

20 47

In appointing the Members of the Board of Directors Government should see that the agricultural interests who are ultimately the consumers of the products of the factory are given due representation and that at least one member of the Board of Directors is chosen from such interests.

[Information required for the Committee.]

The present composition of the Board of Directors at Sindri Fertilisers and Chemicals Ltd. may be intimated indicating the member who is an agriculturist and also whether he has been so appointed because he represents agricultural interest.

A copy of the agreed note of discussion with the D.V.C authorities held on 4th June, 1955 is enclosed.* A revised "agreement" as such in accordance with the decisions taken at that meeting has not yet been drawn up. It will be transmitted immediately on receipt.

(Ministry of Production O.M. No. Fy. I-13(1)/55, dated the 15th May, 1956.)

A representative of the Ministry of Food and Agriculture has been taken on the Board of Directors of S.F. & C.L. Also, one of the Directors of the present Board is an agriculturist.

A list showing the names of Directors is given below. One of the Directors, namely, Shri Digvijaya Narain Singh, M.P. is an agriculturist. He has been appointed to represent agricultural interests also.

- | | | | | |
|----|----------------------|--------|---|----------|
| 1. | Shri Shri Ram | . | . | Chairman |
| 2. | Shri B. C. Mukharji, | I.C.S. | . | Director |
| 3. | Shri T. C. Puri, | I.C.S. | . | -do- |
| 4. | Dr. A. Nagaraja Rao | . | . | -do.- |

- | | | |
|-----|---------------------------------------|-----------------------|
| 5. | Shri J. J. Ghandy | Director |
| 6. | S. R. Vasavada | -do.- |
| 7. | Shri U. L. Goswami | -do.- |
| 8. | Shri K. L. Ghei | -do.- |
| 9. | Shri Digvijaya Narain Singh | -do.- |
| 10. | Shri V. Nilakantan | Managing
Director. |

(Ministry of Commerce and Industry O.M. No. Fy.
I-13(1)/55, dated the 4th October, 1957.)

HINDUSTAN CABLES LIMITED

55 The various expansion schemes such as the expansion of the armouring shop should be undertaken by the Company itself instead of the work being allotted to the S.T.C. This would save the 6% commission otherwise payable to Messrs. Standard Telephones and Cables Limited.

Accepted. Wherever it is possible for the Company itself to undertake the expansion *i.e.* where specialised equipment or technical 'know-how' is not involved the work will not be entrusted to S.T.C.

(Ministry of Production O.M. No. Fy. (1)-10(36)/55-Fy-II, dated the 31st January, 1956).

60 In planning the expansion of the Hindustan Cables Limited, the need for establishing a foreign market for those goods, specially in the countries in South and South-East Asia should be borne in mind. Government may examine whether factory can in future undertake three shifts to meet all the requirements.

According to Government's existing agreement with S.T.C. the countries of Burma, Ceylon and Nepal are the only export territories for the products of the factory. Government are taking action to survey the demands of these countries and those of the South and South-East Asia region. After ascertaining the extent of demands the question of modifying the agreement in this respect will be taken up. The question of the most economic and technically feasible

*Not printed.

[Comments of the Sub-Committee 1955-56.

The Ministry may be requested to furnish data showing the comparative economics of the two methods *vis.*, increasing the number of shifts or going in for additional equipment.

(L.S.S. O.M. No. 54(3)EC-I/56 dated the 20th June, 1956)]

method of meeting the additional demand will also be examined at that stage, i.e., whether it should be met by increasing the number of shifts or by going in for additional equipment.

(Ministry of Production O.M. No. Fy. (1)-10(36)/55-Fy.-II, dated the 31st January, 1956.)

In the present state of the internal requirement of Cables and the capacity of factory, it does not appear that the installation of additional equipment or introduction of three shifts would be economical. Installation of additional equipment will only be necessary, if the factory has to produce more than what it can at present. Also, introduction of 3 shifts without increasing the target of production would mean additional expenditure in wear and tear and depreciation of machinery and equipment with no corresponding benefit. Allowance would have to be made for the break-down of plant and machinery and consequential loss of production including the expenditure on idle labour. Working on a single shift, the factory is scheduled to produce 1000 miles of cables by 1960 against the requirement of the Indian P. & T. Department which has been estimated at 1300 miles per annum from 1958-59 onwards. It is expected that the factory will be able to produce 1000 miles

of cables before 1960, possibly in 1958-59. Hence there is no possibility in the near future of there being any surplus for export. The export market will, however be kept in view. (The export territory under the agreement with the Standard Telephones and Cables Limited is confined to Burma, Ceylon and Nepal. There is also a proposal to include Indonesia within the export territory by agreement with the Standard Telephones and Cables Limited).

(*Ministry of Production O.M. No. 10/48/56-Fy. II dated the 22nd May, 1957 and Min. of C & I letter No. BGT 4 (25)/55 dated the 25th November, 1957.*)

66 A number of raw materials are required during various stages of manufacture of cables and the lack of any one of these will create a break in the chain thus upsetting production totally. As some of these raw materials are imported from abroad, increased efforts should be made by Government to see that all the raw materials required by the factory are produced in the country and that the factory is not dependent on imports for its requirements.

[*Comments of the Sub-Committee 1955-56*

The Ministry may be asked to intimate the Committee the result of their efforts in locating indigenous sources of supply of raw materials.

Accepted. Alternative indigenous sources for imported raw materials are already being explored.

(*Ministry of Production O.M. No. Fy. (1)-10(36)/55-Fy. II, dated the 31st January, 1956.*)

All efforts are being made to explore the possibility of having raw materials from indigenous sources even by relaxation of specifications, where possible. Principal industrial concerns are being contacted by the company for the above purpose. It may be added here that the company is at present obtaining supplies

(L.S.S. O.M. No. 54(3)-EC-I/56, dated the 20th June, 1956)].

of principal raw materials like copper and lead from the supplies in this country. It may be remembered that the basic raw materials required by these suppliers are imported. The only other item being imported is paper for which also after great deal of effort at least one manufacturer has taken up the manufacture. The samples received stood laboratory tests, but did not stand manufacturing tests. The possibility of obtaining paper of the required quality from other mills is being explored. As regards steel tape, although they are purchasing those from local suppliers but the same is being imported through the Iron & Steel Controller. The Company have, however, requested the existing local manufacturers to include in their future programme the manufacture of different types of steel tapes required by the factory.)

(Ministry of Commerce and Industry O.M. No. 10/48/56-Fy. II dated the 22nd May, 1957 and letter No. BGT 4(25)/55, dt. 25th November, 1957.)

8 68 Consumption of stores should be carefully checked and wastages discouraged. Control should also be exercised over stage-wastages. Checks must be exercised not only by the heads of various departments but by the Managing Director himself. Regular charts may be maintained so that wastages at any stage may be noticed easily and remedial action taken.

Accepted. The rates of consumption and scrap allowance of different stores used for manufacture of cables have already been laid down. These are reviewed periodically with a view to bring down the scrap allowance to the minimum.

(Ministry of Production O.M. No. Fy. (1)-10(36)/55 Fy. II dated the 31st January, 1956.)

[Comments of the Sub-Committee 1955-56 :

The extent to which wastage have been reduced may be intimated, also giving comparative figures from year to year.

(L.S.S. O.M. No. 54(3)-EC-1/56, dated the 20th June, 1956.)]

This factory had gone into production during the latter part of the year 1954-55 and as such the correct assessment of scrap allowance could be determined after the production is carried on for a sufficiently long time. Accordingly the data for scrap allowance for the purpose of its control was prepared for the year 1955-56 and onwards. The average scrap percentage for the year 1955-56 in respect of principal raw material is as stated below :

Scrap percentage (average)
during 1955-56.

1. Copper	4 to 5 percent
2. Insulating paper	14 to 15 percent
3. Steel tape	3 percent
4. Lead	1.6 percent

11

A close vigilance is exercised to see that wastage is kept to the barest minimum.

(Ministry of Commerce and Industry Office Memorandum No 10/48/56-Fy II dated the 22nd May, 1957)

Accepted, Cables intended for the different parts of the country are being despatched expeditiously in accordance with previously drawn up schedules. The question of the opening of a cable depot by

A procedure should be evolved quickly for the quick removal of manufactured material by the P. & T. Department so that a large locking up of capital by way of non-

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9

utilisation of manufactured goods does not continue.

P. & T. Department has also been taken up with that Department.

10 70 Strict business principles of sale and purchase should be observed between a Government department and a state undertaking, and no indenting should be made for materials unless it is proposed to remove them as quickly as possible, when they are ready for supply. All payments should be made promptly and in cash.

(Ministry of Production O.M. No. Fy.(1)-10(36)/55—Fy II dated the 31st January, 1956).

12 72 There are no rented houses available near the factory and the employees have to depend solely on the accommodation provided by the Company. Construction of residential accommodation near the factory should be expedited.

The recommendations have been noted and accepted. (Ministry of Production Office Memorandum No. Fy (1)-10(36)/55, Fy II dated the 31st January, 1956).

13 72 The Committee would recommend activities like kitchen-garden competitions undertaken by the Sindri Fertilisers Limited to the other industrial undertakings under the Ministry of Production as well as other Ministries. The Committee would also urge these undertakings to pay special attention to social welfare of their staff,

The industrial enterprises have been informed to take action accordingly. The other Ministries which are concerned have been informed about these recommendations for such action as may be deemed necessary in respect of industrial enterprises run by them.

[*Comments of the Sub-Committee 1955-56 :*

The number of residential accommodation constructed for the workers of the factory and the period by which all the employees will be provided with proper accommodation may be ascertained.

(*L.S.S. O.M. No. 54(3)-EC-I/56, dated the 20th June, 1956*).

14

74 The personnel for the future requirements of the factory should be recruited early and trained thoroughly so that no difficulty is experienced when the expansion actually takes place.

As the machinery and the 'know-how' are now available in India itself this may be utilised to the fullest extent instead of spending money on foreign training, which may be resorted to only when good reasons exist.

[*Comments of the Sub-Committee 1955-56*

The Ministry may be requested to indicate the method of recruitment of engineering graduates as apprentices, the number recruited during the last three years and the

The company have already allotted 174 quarters and provided accommodation to majority of the employees at least a single seat to each if not family accommodation to all. Some new quarters numbering 80 are now under construction and the management expect to provide quarters to the present strength of employees by end of 1957-58.

(*Ministry of Commerce and Industry O.M. No. 10/48/56-Fy II, dated the 22nd May, 1957*).

Accepted This is already being done in so far as the existing lines of production are concerned. There is a scheme in operation under which engineering graduates are recruited as apprentices and trained for a period of one year for absorption, thereafter, in the factory. It may, however, be necessary to send people for training abroad when new lines of manufacturing like co-axial cables are taken up.

(*Ministry of Production O.M. No. Fy.(1)-10(36)/55 Fy II, dated the 31st January, 1956*)

Advertisements are made in the leading papers in the country. Candidates for apprentices are selected by a Board constituted with principal officers of the Company and also a principal officer of the neighbouring Government factory at Chittaranjan. Apprentice Engineers sent by the Ministry of Education are,

number absorbed in the establishment.

(L.S.S. O.M. No. 54(3)-EC-1/56, dated 20th June, 1956.)

however, taken direct by the Company. The other information is as under :

Year	No. of apprentices recruited	Apprentices absorbed (Numbers)
1954-55	50	33
1955-56	11	15

The cases of the rest excluding those who have resigned have not been considered as yet as they have not completed the probationary period.

(Ministry of Commerce and Industry O.M. No. 10/48/56-Fy. II, dated the 22nd May, 1957.)

Candidates with suitable qualifications should be taken first as apprentices and if found satisfactory, absorbed in the factory as technical staff.

[Comments of the Sub-Committee 1955-56

Details of the system of training may be called for.

15 75

A system of training apprentices with a view to absorption in the factory is already in vogue.

(Ministry of Production Office Memorandum No. Fy (1)10(36)/55—Fy.II dated 31st Jan., 1956).

Although there is no definite scheme at present in the matter of employment of skilled operative of the factory, an arrangement has been made with the

(L.S.S. O. M. No. 54(3)-EC-1/56 dated the 20th June, 1956.)]

Assistant Director of Training, Ministry of Re-settlement & Rehabilitation, Calcutta for sending out trainees to this factory for further training and absorption if possible. In addition to the above, existing employees of the factory are imparted training in certain trades for absorption when vacancy arises in these trades.

(Ministry of Commerce and Industry O. M. No. 10/48/55 Fy.II dated the 22nd May, 1957).

16

There is a vital need for a good costing organisation. Proper cost accounts should be maintained.

Accepted. Action has already been taken to build up a costing organisation.

(Ministry of Production O. M. No. Fy (1)-10(36)/56 Fy.II dated the 31st January, 1956).

[Comments of the Sub-Committee 1955-56

The Ministry may be asked to intimate when the costing organisation will function fully.

(L.S.S. O. M. No. 54(3)-EC-1/56 dated the 20th June, 1956.)]

The costing organisation is now functioning fully. The organisation was set up in the second quarter of 1953 when a qualified chartered accountant was posted as the Accounts Officer of the Company. The present set-up of this Department is as under.

Accounts Officers, Asstt. Accounts Officer, Cost Accountant, Costing Group and Materials Group.

(Ministry of Commerce and Industry Office Memorandum No. 10/48/56- Fy.II dated the 22nd May, 1957).

HINDUSTAN HOUSING FACTORY LIMITED

83 Action should be taken to expedite disposal of surplus stores of the Government Hous-

The recommendation is accepted.

ing Factory and to close down the Establishment at present maintained for their custody, disposal, etc.

(Ministry of Works, Housing and Supply Office Memorandum No. Budget 5(14)/55, dated the 7th November, 1955).

It has been decided to dispose of the entire aluminium stores worth about 18.17 lakhs through the Directorate General of Supplies and Disposals. The Stores were reported to the Director General, Supplies and Disposals for disposal in February, 1956. Since then they have been able to dispose of aluminium and other small stores worth about Rs. 1.16 lakhs by auctions.

Surplus stores worth about Rs. 17.20 lakhs (aluminium stores worth about Rs. 17.10 lakhs and other small stores worth about Rs. 0.10 lakhs) remain to be disposed of. These stores have been referred to the priority indentors by D.G.S.&D. In case the priority indentors are not interested in purchasing these stores these will be disposed of by the D.G.S.&D. by auction.

It is expected that D.G.S. & D. will be able to dispose of the entire stores of the factory by the end of the June, 1956.

(Ministry of Works, Housing and Supply, O. M. No. Budget-5(4)/55 dated the 17th May, 1956).

(i) Value of the stores left undisposed of

The entire surplus stores of the Government Housing Factory have since been disposed of.

(ii) *Amount so far realised by disposal of the surplus stores.*

The exact amount realised cannot be stated as the accounts of the factory have not so far been finalised. The approximate amount of recovery so far is estimated at about Rs. 8,70,000.

(iii) *The extent to which the establishment maintained for the custody, disposal etc. of the surplus stores has been closed down.*

Government Housing Factory Cell which was retained to look after the disposal work of the surplus stores of the factory has been closed with effect from the 1st April, 1957. The residual work relating to the finalisation of accounts of the factory has been entrusted to the Hindustan Housing Factory (Private) Limited which is now wholly owned by Government.

(Ministry of Works, Housing and Supply Office Memorandum No. Ent 10(30)/57 dated the 6th August, 1957).

2. Greater publicity should be given to the products of the Factory. Arrangements should be made through the dealers in housing construction goods to exhibit the Housing Factory's products.

The recommendation of the Committee has been noted. Suitable action will be taken after the future of the Factory, which is under consideration has been finally decided upon.

(Ministry of Works, Housing and Supply Office Memorandum No. Budget-5 (14)/55, dated 3rd March, 1956).

Instructions have been issued to the General Manager of the Factory to publicise the products of the Factory and to enlist the help of the dealers in housing construction goods in marketing the products.

(Ministry of Works, Housing and Supply Office Memorandum No. Budget-5 (14)/55 dated the 5th June, 1957).

4 88 3. The Research Laboratory should complete the tests on the light weight reinforcement components.

The recommendation has been noted and action is being taken accordingly.

(Ministry of Works, Housing and Supply O. M. No. B-5(14) / 55, dated the 3rd March, 1956).

Tests regarding the suitability of light weight reinforced components are being carried out by the Building Research Institute, Roorkee.

(Ministry of Works, Housing and Supply O. M. No. B-5 (14)/55 dated the 5th June, 1957).

4. After the existing machinery has been fully utilised, the factory should expand set up by the Expert Committee

and produce more articles. The Committee suggest that a possible line of development is the production of asbestos cement products.

(Ministry of Works, Housing and Supply O.M. No. B-5(14)/55, dated the 7th November, 1955).

The Government of India have now decided that the Hindustan Housing Factory (Private) Limited, should continue to be run by Government as an entirely State-owned private limited company with a paid-up capital of Rs. 40 lakhs. It has also been decided that Government should implement the various recommendations made in the report of the Committee of Experts which was set up to determine the future of the Hindustan Housing Factory (Private) Limited. *A copy of the Expert Committee's Report and a copy of the Profit and Loss Account of the Hindustan Housing Factory for the year ending 31st July 56 are enclosed. Government are also exploring the ways and means of expanding the production of the Factory, specially relating to Asbestos Cement Products.

(Ministry of Works, Housing and Supply O. M. No. B-5(14)/55, dated the 5th June, 1957).

NAHAN FOUNDRY LIMITED

I 94 The Nahan Foundry is a concern of local importance and should more appropriately be owned by the State Government. As such the possibility of transferring the Foundry to the Himachal Pradesh Government has been examined. It is not feasible at this stage due to legal and constitutional difficulties, as Himachal Pradesh Government has

*Not printed. A copy of the summary of conclusions and recommendations of the report of the Expert Committee as well as a copy of the report of the Board of Directors of the Company for the year 1-8-55 to 31-7-56, are however placed at appendices I and II.

ownership of the Foundry to the Himachal Pradesh Government on such terms as might be mutually agreed to between the two Governments should be examined.

If for any reason, however, the Himachal Pradesh are not prepared to take over the Foundry, the Central Government should continue to run the Foundry till such time as alternative occupation is found for those inhabitants of Nahana who are dependent on this Foundry for their living.

[*Comments of the Sub-Committee 1955-56*

The Ministry may state whether there is a possibility of absorbing the workers elsewhere in case it is found necessary to wind up the Foundry.

(*L. S. S. O. M. No 54 (2)-EC-1/56 dated the 19th June, 1956*)]

The rate of commission paid to commission agents should be brought down to a more reasonable level.

chal Pradesh is treated as a centrally administered area. As such there cannot be any transfer of ownership to it from the Central Government.

The Committee's recommendation that the Central Government should continue to run the Foundry has, therefore, been accepted, but it may be stated that there is no possibility of finding any alternative employment for the workers of the Nahana Foundry in Nahana itself.

(*Ministry of Iron & Steel O. M. No.5 (10)-1/55, dated the 14th January, 1956.*

Considerable improvement has been recorded in the working of the foundry in recent months and there is no proposal to wind up the Company.

(*Ministry of Commerce and Industry O. M. No. 18' (12) NIDC/57, dated the 19th June, 1957.*

The Board of Directors of the Foundry has been requested to examine the possibility of bringing down the rates of commission paid to commission agents.

(*Ministry of Iron and Steel Office Memorandum No. 5(10)1/55, dated the 14th January, 1956.*

[Comments of the Sub-Committee 1955-56

The Ministry may be requested to indicate whether the matter has since been examined and also whether the rate of commission has actually been brought down. If so, the savings accrued as a result thereof may be stated.

(L. S. S. O. M. No. 54(2) EC-1/56, dated the 19th June, 1956.)

The rates of commission have since been reduced as under :

- (i) Maximum commission on sales on retail price. Reduced from 12½% to 8%.
- (ii) Maximum commission on sales on wholesale price. Reduced from 10% to 7½%.
- (iii) Commission on hiring

(a) Reduced from 30% to 25% upto a figure of 100 in place of 50 miles.

(b) Above 100 miles (in place of 50 miles)—30%.

The total saving by reduction in the rates of commission amounts to about Rs. 15,000/- during the year 1956-57.

(Ministry of Commerce and Industry Office Memorandum No. 18(12)NIDC/57, dated the 19th June, 1957).

This recommendation has been accepted by the Government of India and the Board of Directors of the Foundry has been asked to implement it.

(Ministry of Iron and Steel O. M. No. 5 (10)1/55, dated the 14th January, 1956).

97 In view of the general financial position of the Foundry no large capital investment should be made so long as the new items of manufacture are in the experimental stage.

98 The Punjab Government should be asked to amend the Octroi rules whereby a machi-

The Punjab Government have already amended their Octroi rules permitting the re-import of Crane

ery could be brought within the limits of a town for repair, without paying the Octroi duty. The present rule works harshly on the hirers of Nahan implements in regard to the service facilities provided by the Foundry.

Crushers without payment of Octroi duty within a period of six months. With this relaxation the difficulties of hirers of Nahan implements have been practically removed.

(*Ministry of Iron and Steel O. M. No. 15(10)1/55, dated the 14th January, 1956*).

6 99 The present location of the Nahan Foundry offers scope for employment to the local people and it would result in their being deprived of these facilities if the factory is shifted to Ambala. The Foundry may, for the time being, be allowed to continue to function at Nahan.

The Government of India have accepted this recommendation.

(*Ministry of Iron and Steel O. M. No. 5(10)1/55, dated the 14th January, 1956*).

7 100 Expansion schemes undertaken by the Nahan Foundry should be so arranged that self-contained units of development are set up in Ambala.

This recommendation has been noted although it is considered that there is no prospect of any expansion of the factory until its financial position improves considerably.

(*Ministry of Iron and Steel O. M. No. 5(10)1/55, dated the 14th January, 1956*).

CHAPTER III

REPLIES OF THE GOVERNMENT THAT HAVE BEEN ACCEPTED BY THE COMMITTEE

Serial No.	Ref. to para No. of the Report	Summary of Recommendations	Reply of the Government
1	2	3	4
		SINDRI FERTILISERS AND CHEMICALS LTD.	
1	9	<p>Now that a large number of State-owned factories have gone into production and that their products including their by-products are available for distribution and sale, it should be examined as to how far the requirements of Government Department and State-owned concerns should be met directly by the products of these</p>	<p style="text-align: center;">S. Nos. 1, 2 & 3.</p> <p>This Ministry have requested the Ministry of W.H. & S. to initiate action on this recommendation and intimate the result to all concerned, in due course. That Ministry's reply is awaited.</p> <p style="text-align: right;">(Ministry of Production O. M. No. Fy.I-13(1)/55, dated the 14th February, 1956).</p>

State-owned factories and how far special preference should be given to the Government Departments in such a distribution of the products.

2 10 The D. G. S. & D. or the Central Purchasing Organisation which may replace the present set-up, should keep themselves completely informed of the requirements of Government Agencies and the extent to which they are available from State industries—and effect a proper coordination between supply and demand.

Action has been initiated and as some policy questions are involved, it is proposed to discuss the said recommendations in an inter-departmental meeting after a decision has been taken on the recommendation of the Stores Purchase Committee that “normally, industries in the private sector should be free to compete with those in the public sector in Govt. purchases.”

(Ministry of W. H. & S. O.M. No. Pur-45(S)/55 dated the 3rd March, 1956).

3 10 The Committee appreciate that unless strict business principles are adhered to in all arrangements of supply between State Undertakings and Government Departments and Agencies, delays may occur in finalising the provisional orders of Government Departments. The Committee, therefore, recommend that even in the contemplated re-organisation of the distribution arrangements, strictly business principles, such as prompt payments by cash, provisional orders to be followed quickly by confirmed orders, first come first served, etc. should continue to be adhered to.

The recommendations contained in paras 9 and 10 of the Estimates Committee's 13th Report on the Ministry of Production, have been considered in this Ministry, along with a similar recommendation of the Stores Purchase Committee. The decision taken in this regard is contained in the Ministry's Office Memorandum No. Pur-19/Recom.69/55, dated 7-5-56 (given below) :—

“The Stores Purchase Committee has recommended in its Report that normally industries in the ‘private’ sector should be free to compete with those in the ‘public’ sector in Government purchases.”

“There may, however, be special circumstances when the Government may have to confine its purchases to the State-owned undertakings instead of the normal method of calling for competitive tenders.”

“2. The matter has been examined and it is considered that no general decision could be taken, as each case will have to be considered on merits. As it is the intention to utilise the products of such undertakings for Government requirements to the extent possible, where State-owned factories or undertakings are in a position to meet Government requirements, purchase may be made from such undertakings, after taking into consideration various factors such as availability, specifications, prices and the delivery period within which supplies could be made.”

३३

(Ministry of W.H. and S. O.M. No. Pur-45(5)/55 dated
the 13th June, 1956.)

S. No. 2

As regards this recommendation, it is for the Ministry of Production to issue a suitable directive to the State-owned factories to keep the DGS&D informed from time to time of their production capacity, stock, position etc. to enable the CPO to effect proper co-ordination between supply and demand.

(Ministry of W.H. & S. O.M. No. Pur-45(5)/55, dated
the 3rd July, 1956.)

A copy of the instructions issued by the Ministry of Production to industrial undertakings under that Ministry is placed at Appendix III.

S.No.3

While the Ministry agree with the observations made by the Estimates Committee in the first half of this recommendation, it may be pointed out with reference to the second half thereof that this Ministry have already taken adequate steps to ensure that payments to suppliers are made promptly by allowing 90% payment on proof of despatch of stores, and balance 10% on receipt of consignee's receipt certificate. Discretionary powers have also been given to the DGS&D to authorise payment of the balance 10% without production of consignee's receipt certificates, if the consignee fails to issue it for an unduly long time. Other business principles cited in the recommendation are also followed by the DGS&D as far as possible. In fact the Estimates Committee themselves feel that these principles are adhered to and they have accordingly recommended continuance thereof. Hence it was not considered necessary to take any further action on this recommendation.

(Ministry of W.H. & S. O.M. No.Pur-45(G)/55, dated the 3rd July, 1956).

The Indian Council of Agricultural Research is the proper agency to publicise the uses of fertilizers and to carry the information to the cultivators in the field. The Committee recommend that the publication of the "Sindri News" should be stopped and the question of retrenching the publicity department should be examined. A few persons may be retained for conducting visitors to the works and for showing them round.

It appears that the precise purpose of the "Sindri News" and the Publicity Department has not been explained to the Estimates Committee. The "Sindri News" is a domestic journal designed to acquaint the workers in the organisation with what is happening in different departments. It has a cultural and educational value also, and creates an *esprit-de-corps* among the members of the organisation. Similar journals exist in all big industrial enterprises and business houses both in India and abroad, and perform a useful function.

No special staff is employed for the publication of this journal, and the ordinary staff assist in its publication in their spare time. The journal has proved exceedingly popular and a Hindi version has also been started. The journal is not a technical publication dealing with fertilizers and their application.

Regarding the public relations and publicity department, no industrial undertaking of the size of the Sindri factory can do without it because of the need of issuing various handouts, press releases, articles, pamphlets, brochures etc. This department also arranges for the participation of the Sindri Company in national and international exhibitions and fairs. In terms of money value, the publicity received by Sindri through its public relations and publicity department has been great.

The number of visitors to Sindri is increasing rapidly. Thousands of students from Universities, farmers

from Community Project areas, National Cadet Corps boys, Youth Congress and Sewa Dal parties have been frequenting Sindri. Numerous distinguished visitors such as Members of Parliament and foreign dignitaries have also been visiting Sindri, and the existence of the public relations and publicity department has helped in showing these visitors round and explaining to them the aims and objects of the organisation. The staff employed is much less than in the public relations counterparts of other similar organisations. In the circumstances explained above, this Ministry feel that the 'Sindri News' and the public relations department of Sindri should be permitted to continue.

(Ministry of Production O.M. No. Fy.I-13(1)/55, dated the 14th February, 1956).

(Information required for the Committee.)

The Ministry may please intimate the names of the organisations which the Ministry had in view while referring to the staff employed in the public relations counterparts of other similar organisations, and the facts, if available regarding the staff employed and expenditure incurred in public relations in those organisation,

While making the statement that "the staff employed is much less than in the public relations counterparts of other similar organisation," this Ministry had in mind the staff employed by the D.V.C.: Tatas, Burmah Shell, Lever Brothers, A.C.C., etc. The D.V.C. public relations set up consists of one Chief Information Officer, one part-time Publicity Officer, at Delhi, one Public Relations Officer, two Assistant Public Relations Officers, and two Assistant Information Officers as against one Public Relations Officer in Sindri.

[L.S.S. O.M. No. 54(1)-EC, I/56, dated the 20th June, 1956]

Burmah-Shell, Tatas, Lever Brothers, and A.C.C. it is understood, have much bigger public relations, and publicity establishments, both at their headquarters and regional offices. Details are not available.

(Ministry of Production O.M. No. Fy. I-13(1)/56, dated the 29th September, 1956).

(Comments of the Sub-Committee)

Please see Appendix IV.

Details may be called for regarding the number of copies printed and a monthly circulation of the magazines "Sindri News" and "Sindri Samachar" showing separately both sales and free circulation, the persons and organisations to which the magazines are circulated and the monthly expenditure involved. Details may also be called for each of the last two years regarding :—

- (i) the number of items of news and articles of interest supplied to the Press;
- (ii) the number of articles and other materials supplied to the Press for their special supplements ;
- (iii) the number of films produced in collaboration with the films Division, and the details of the actual work involved in such collaboration ;

- (iv) the number of materials supplied to A. I. R. for special broadcast ;
- (v) the number of exhibitions in which Sindri participated ; and
- (vi) the number of visitors to Sindri.

[L.S.S. O.M. No. 54(1)-EC. I 56, dated the 21st June, 1956].

14

36

The Ministry of Defence should take a decision on the question of the disposal of the Methanol Plant early.

At present, there is no negotiation which is awaiting finalisation in regard to the "transfer" of the Methanol Plant stored at Sindri to the Ministry of Defence. The question of the utilization of the Sindri Methanol Plant *vis-à-vis* the Scheme of the Defence Ministry of starting a new plant for their "Explosives Projects" was reviewed in an Inter-Ministry meeting and it was decided that in the first instance, the plant at Sindri should be examined by a body of experts with a view to assessing its present condition, the possibility of portion or portions of it being used for the production of Methanol, the capital cost by way of repair, rehabilitation etc. involved in making the plant fit for methanol production etc. A Committee of three members was accordingly constituted in May, 1955.—Their report is awaited.

(Ministry of Production O.M. No. Fy. I-13(1)/55, dated the 14th February, 1956)

[Comments of the Sub-Committee, 1955-56:

The approximate time by which the Committee is expected to report may be indicated.

(I.S.S. O.M. No. 54(1)-EC. I/56, dated the 21st June, 1956)].

The Committee submitted their report on 23rd June, 1956. They have recommended that the Reparation Plant, after necessary repairs may be used for the manufacture of methanol and isobutanol or ammonia. Meanwhile this Ministry had also secured the services of two Russian experts, who had experience of setting up similar plants in Russia, to inspect the plant and tender their advice on its utilisation. The Russian experts submitted their Report on 9th July, 1956. They have reported that the Plant is in fairly good condition and can, after repairs, be installed at Sindri for the production of methanol and ammonia. The Sindri Management is also agreeable to the Plant being located at Sindri. The probable cost of repairs and installation of the Plant is being examined.

(Ministry of Production O.M. No. Fy. I-13(1)/56, dated the 29th September, 1956).

The Methanol Inspection Committee, which was appointed in May, 1955, submitted its report on 23rd June, 1956. This Ministry also secured the services of two Russian experts, who had experience of setting up similar Reparation Plants in Russia, to inspect the Plant and tender advice on its utilisation. The report of the Russian experts was received in July, 1956. The Committee as well as the Russian experts were of the view that the Reparation Plant was in a fairly good condition and

could, after repairs, be installed for the production of methanol and ammonia. Government have considered the recommendations contained in the two reports and have decided to obtain detailed Project Reports for setting up the Plant. A few reputed foreign firms have been asked to quote the terms for the preparation of the Project Reports as well as for the subsequent installation of the Plant. The Planning Commission has approved of this course of action.

(Ministry of Production O.M. No. Fv. I-13(1)55, dated the 10th April, 1957).

15 40 The responsibility for storage of fertilizers on a regional basis should be undertaken by the State Governments. The Committee were informed that even if the State Governments merely utilised their existing storage facilities fully it would go a great way in solving the problem.

16 41 Sufficient buffer stocks should be maintained at different points in the States so that the Cultivator may be guaranteed his supplies of fertilizers whenever he requires them.

The importance of maintenance of a steady flow of fertilizers throughout the year, even by indenting stocks during slack seasons and keeping in stock at least 3 months' requirements, has been impressed upon the State Governments, by the Ministry of Food and Agriculture from time to time. The matter was also discussed at the last Fertilizers Conference held on the 20th and 21st October, 1955, when it was suggested to the States that it would be more economical for them to stock fertilizers in their depots near the distributing points, as this would avoid unnecessary handling and shortage charges. It was also suggested to them that sufficient buffer stocks should be maintained at different points in States, so that the cultivators could

obtain a guaranteed supply with the least possible difficulty.

(Ministry of Production O.M. No. Fy. I-13(1)/55, dated the 23rd February, 1956).

17 42

As far as possible, distribution in the rural areas should be done through the panchayats, the Co-operative Societies, the Community Projects and the National Extension Service Schemes and other development agencies.

The whole system of distribution should be carefully examined and adjusted in such a way that the farmer can obtain whatever quantity of fertilizers he requires with the least amount of difficulty.

The question of effecting improvements in the retail distribution of fertilizers was considered at the Agriculture and Co-operative Ministers' Conference held in 1954 at which it was recommended that arrangements should be made by State Governments to provide one depot for a group of 5 to 10 villages, keeping in view the areas under cultivation. The matter was also brought to the notice of the State Governments and action is being taken by them to implement the recommendation as far as possible.

The system of distribution varies in different States. The main systems in vogue are :—

- (i) Distribution through private distributing agencies ;
- (ii) Distribution through Government sales depots ;
- and
- (iii) Distribution through co-operative organisations.

In some States, co-operative organisations are solely entrusted with the work of distribution while in some others both the co-operative organisations and private dealers are employed. However, there has been general improvement in the retail distribution arrangements and an increase in the number of depots.

Plans are under way in several States for increasing the number of sales depots. A suggestion was made at the Conference of the State Governments' representatives held on 20th October, 1955, that they should explore the possibilities of utilising the Community Projects, National Extension Service and the Panchayats for distribution work. The recommendation of the Estimates Committee, which contains the same suggestion has been brought to the notice of the State Governments for necessary action.

[*Comments of the Sub-Committee, 1955-56:*

The Ministry of Food & Agriculture may be requested to intimate as to when the suggestions of the Estimates Committee were brought to the notice of the State Government and what results have been reached so far.

The Ministry may also state how many States have implemented the recommendations regarding improvements in retail distribution of fertilisers.

(L.S.S. O.M. No. 54 (r)/EC. 1/56, dated the 21st June, 1956.)]

18 43 If the raw fertilizers can be utilised in the areas around Sindri the Committee would

24 The recommendations of the Estimates Committee as contained in their Thirteenth Report were brought to the notice of the State Governments *vide* this Ministry letter No. F. 12-58/55-M, dated the 7th February, 1956. Replies to this letter have been received so far only from a few States. The defaulting States have already been reminded. A statement showing the action taken by the various States, on the recommendations of the Estimates Committee will be sent to the Lok Sabha Secretariat as soon as replies in this matter from all the States are available.

(Ministry of Food and Agriculture O.M. No. F. 12-58/55-M, dated the 26th July, 1956)

Sindri Fertilizers & Chemicals Ltd. are under the provisions of their contract with the Ministry of

recommend that the Factory or the State Government concerned should open a small local retail store for the benefit of these people.

Food & Agriculture required to sell their entire production of fertilizer to the Central Fertilizer Pool. The Factory cannot unless the agreement is altered open a retail store as suggested by the Committee. The Ministry of Food & Agriculture have however requested the Government of Bihar to open a retail shop in the area around Sindri.

(Ministry of Production O. M. No. Fy. 1-13(1)/55,
dated the 23rd February, 1956)

HINDUSTAN CABLES LIMITED

62 Until the engineering industry has developed to such a stage as to be capable of manufacturing these spare parts it might be desirable to have some agreement with the suppliers of machinery for the supply of spare parts also. To tide over this difficulty it might also be advisable for the Company to check up the capacity of the various engineering works in this country so that in times of emergency these sources could be mobilised quickly.

Necessary spare parts have already been indentured for with a view to building up a stock and no difficulty will be experienced if the supplies mature. Contacts with leading engineering firms have revealed that no difficulty is likely to arise in procuring spare parts not stocked by the Company.

(Ministry of Production O.M.No.Fy. (1)-10(36)/55—
Fy. II, dated the 31st Jan. 1956)

63 Government should examine as to how far it would be possible for the Hindustan Cables Ltd., to do away with the establishment of a workshop of its own and meet their requirements form the Chittaranjan Locomotive workshop, which is nearby, and has considerable capacity.

The repair workshop attached to the Company is a very small one and the Chittaranjan Locomotive Workshop is being used to the fullest extent possible for all major repairs.

(Ministry of Production O. M. No. Fy. (1)-10(36)/
55-Fy. II, dated the 31st Jan., 1956)

* A statement showing the action taken by the State Governments regarding storage and distribution of fertilisers is placed at Appendix V.

5 65 The Committee understand that valuable copper ores are available in abundance in Rajasthan. Urgent action should be taken by Government for the development of the copper ores with a view to extracting copper of the required degree of purity as a part of the Industrial Development Plan in the Second Five Year Plan.

This concerns the Ministry of N.R. & S.R. who have been requested to take necessary action in the matter.

(Ministry of Production O.M. No. Fy. (1)-10(36)/55-Fy. II, dated the 31st Jan. 1956).

[Comments of the Sub-Committee, 1955-56:

The Ministry may be addressed to furnish us with the latest position in regard to the availability of resources of copper in the country and how far they can meet the requirements of copper wire by the factory.

(L.S.S. O.M. No. 54(3)-EC. 1/56, dated the 20th June, 1956)].

A Not (Appendix VI) explaining the steps taken or proposed to be taken for development of the copper ore of Rajasthan is placed below.

(Ministry of N.R. E.S.R. O. M. No. 3 (51)/56-MIV, dated the 14th July, 1956).

It appears that the Ministry of Natural Resources & Scientific Research have already submitted two notes with their Office Memorandum No. 3(51) MIV, dated the 14th July, 1956 to the Lok Sabha Secretariat on the subject of the development of the copper ore in Rajasthan under the Second Five Year Plan and the latest position regarding the availability of copper in the country.

It is the policy of the Company to obtain raw materials from indigenous sources as far as practicable. The raw materials which are necessary for production of cables are copper wire, antimonial lead, insulating paper, steel tapes, and timber. Most of these materials, though purchased by the Company from within India are imported. It has already been stated that the production of indigenous copper is sufficient to meet only 13% of the requirement of the country. It is understood that though antimonial lead is manufactured within the country, the basic material, lead, has to be imported. One firm has recently taken up the manufacture of insulating paper. Samples received have stood laboratory tests. Steel tapes of the required quality are also not manufactured in the country though the Company is trying to persuade some indigenous manufacturers to take up their production with a view to meeting its requirement.

(Ministry of Commerce and Industry O.M. No.10/48/56-Fy. II, dated the 22nd May, 1957, and letter No. B.G.T. 4 (25)/55, dated the 25th November 1957.)

As far as possible purchases should be made through the Central purchasing agency of the Government of India. In order to overcome the difficulty of delays on the part of the D.G.S. & D. indenting for stores should be done sufficiently well in advance.

67

7

Purchase is now being made through the Central Purchasing Agency wherever possible having due regard to the economies of the Factory. If the purchase of stores, especially raw materials directly, is likely to bring down the cost of raw materials and hence the cost of production, their purchase through the Central Purchasing Agency will not be economic. It is felt that some discretion in this matter can justifiably be given to the management of the company

which is expected to function strictly on commercial lines.

104

[*Ministry of Production O.M. No. Fy. (1)-10(36) 55-Fy. II, dated the 31st Jan. 1956.*]

[*Comments of the Sub-Committee, 1955-56:*

The extent of discretion which has been given to the management of the Company in regard to the purchases may be indicated.

(*L.S.S. O.M. No. 54 (3)-EC. I/56, dated the 20th June, 1956*).

11 71

Construction of buildings, including residential accommodation for the staff, should be undertaken by the Company itself directly instead of through the C.P.W.D. so that effective supervision is exercised thereon and the work is done quickly.

(*Ministry of Production O.M. No. Fy. (1)-10(36) 55-Fy. II, dated the 31st Jan. 1956.*)

The Board of Directors of the Company have authorised the Managing Director to procure stores and materials, plant and machinery upto an amount not exceeding Rs. 50,000 in any individual case. Most of the stores, are however, purchased through the D. G., S. & D. When purchased directly by the Management, the rates approved by the Director-General, S. & D. are adhered to.

(*Ministry of Commerce and Industry O.M. No. 10/48/56. Fy. II, dated the 22nd May, 1957.*)

The extent of construction work for the Company being small it may not be economic for the Company to maintain separate establishments for construction work. Special arrangements have been made with C.P.W.D. for effective supervision over the work by the officers of the Company, and for avoiding procedural delays.

Standards of output should be laid down for the skilled labour and the technical personnel and a constant efficiency drive carried on to see that standards are bettered. A reward or prize for better output may also act as an impetus for increased efficiency. It may also be desirable to obtain statistics of output per man-hour from the S.T.C.'s. Factory in England for the sake of comparison and improvement.

Standards of output have been laid down for the factory operatives, based on the data obtained from S.T.C. with suitable modifications wherever necessary.

Min. of Production O.M. No. Fy. (1)10(36)/55 Fy. II, dated the 31st January, 1956.

The Government have since approved the principle of providing incentives for greater production in public sector undertakings and that the incentives should be related to individual efforts or efforts of groups of workers as far as possible. Accordingly it has been agreed to give but only on an *ad hoc* basis for this year, pending a fuller examination, a monetary award of Rs. 60,000 to the workers of the Factory on the basis of a higher output than planned for during the year. 1956-57.

(Ministry of C. and I. letter No. BGT 4(25)/55, dated the 25th November, 1957).

[Comments of the Sub-Committee 1955-56:]

The modifications from the STC standards may be indicated as also the details regarding the relative efficiency of the modified standards.

(L.S.S. O.M. No. 54 (3) EC. I/56, dated the 20th June, 1956).

Modifications in output standards has taken place in the insulation and twisting operations. The reason is that in the insulation heads at a time and in the twisting section, a single operator controls five insulating section a single operator controls two twisting heads at the same time. Both operations call for a much higher degree of individual initiative than in case of operations like, for instance, the lead presses and the armouring machines which have a team of

The modifications from the STC standards may be indicated as also the details regarding the relative efficiency of the modified standards.

[L.S.S. O.M. No. 54 (3) EC. 1/56, dated the 20th June, 1956].

operators to look after the machines. In neither case has it been possible yet to achieve the same standard of output as obtaining in the works of the Standard Telephone & Cables Ltd., where the piece-work system is in vogue. Attempts however are being made to improve the output at every stage. A committee has been appointed consisting of the Purchase & Sales Officer, the Planning & Progress Engineer and an Assistant Accounts Officer to reassess the operator output in each shop and to prescribe standard outputs. Two of the members of the committee have had some experience of time and motion study. The report of the Committee is expected to be available within three months.

It may however be stated that the output of the insulating shop which concerns both insulating and twisting operations has passed the target given in the schedule of manufacture attached to the heads of agreement. The relative average efficiency of the insulating output in 1955-56 was equivalent to 80% of the figures given by the Standard Telephones & Cables Ltd. In the armouring shop the average output in 1955-56 was 104 yards of cables per hour against the average 100 yards given by the Standard Telephones and Cables Ltd.

The Ministry may also state when the decision on the question of the introduction of an incentive bonus or reward will be taken.

In so far as this undertaking is concerned, the question does not arise when the past losses and deferred expenditure amount to Rs. 10.62 lakhs.

(Ministry of Commerce and Industry O.M. No. 10/48/56 Fy. II, dated the 22nd May, 1957.)

HINDUSTANS HOUSING FACTORY LTD.

2 86 The request of the Hindustan Housing Factory for exemption from the payment of depreciation of Rs. 1.4 lakhs per year for the next three to five years until the machinery is put to full use is not justified as according to the terms of the Agreement, M/s Basakha Singh Wallenborg Ltd had agreed to utilise all the leased assets of the Government Housing Factory and pay depreciation thereon. This question may be gone into by an expert Committee before acceding to the request if Government propose to do so.

The recommendation of the Committee has been noted.

As Government have now taken over the interest of M/s. Basakha Singh Wallenborg Ltd., this recommendation will in principle be implemented in the settlement of the terms that will be agreed upon between M/S BSW and Government while securing the transfer of BSW's interests in the H. H. Factory to Government.

(Ministry of W.H. & S. O.M. No. Budget-5 (14)/55 dated the 7th November, 1955).

A draft of the Agreement to be executed between the Government and the BSW Ltd. for acquiring the interests of the B. S. W. Ltd. in the Hindustan Housing Factory Ltd. is being finalised in consultation with the Ministries of Law and Finance and it is expected it will be executed shortly.

(Ministry of W.H. & S. O.M. No. Budget-5(4)/55, dated the 17th May, 1956).

The extent to which the amount in respect of payment of depreciation to Government for use of the leased assets has been adjusted against the amount due to M/s B.S.W. while terminating their interests in the Company.

The total lease money due to Government from the Hindustan Housing Factory for the period 1-4-53 to 15-8-55 when the factory was run under the management of M/s Basakha Singh Wallenborg Limited amounted to Rs. 4,12,879/7-. In accordance with Government's termination agreement with B.S.W. the total losses incurred by the Factory upto the 15th August, 1955 amounted to Rs. 14,70,876/6-. These losses were required to be borne by Government and B.S.W. in the ratio of 40:60 subject to Government's share of loss being restricted to Rs. 5 lakhs. This loss of Rs. 5 lakhs includes the amount of Rs. 4,12,879/7/- due to Government as lease money on the fixed assets leased to the Factory. In view of this no amount of the lease money has been adjusted against the amount due to M/s B.S.W. while terminating their interests in the Company.

(Ministry of W.H. & S. O.M. No. Enr. 10(30)/57, dated the 6th August, 1957.)

3 87 The finances of the Factory are not very sound and the Government should be careful in

The Factory has now become entirely Government owned and, in taking a decision as to the future of the

advancing any further loans asked by the Factory. A Chartered Accountant may be appointed to examine and report on the financial affairs of the Company.

Factory, Government will keep this recommendation in view.

(Ministry of W. H. & S. O.M. No. Budget, 5 (14)/55, dated 7th November, 1955.)

88 The prestressed pipes are at present being tested at Bombay and the other articles tested at the laboratory of the factory as well as in the CPWD laboratories. In order to ensure quick and correct assessment these tests may also be carried out in the Building Research Institute, Roorkee.

The pipes manufactured in the Hindustan Housing Factory Ltd. are "vibrated Cement Concrete pipes." No facilities to test these pipes exist in the Building Research Institute, Roorkee, or in the C.P.W.D Laboratories.

The light weight concrete insulation blocks have to be tested in the National Physical Laboratory with regard to their thermal conductivity and they have been found quite suitable as insulation material for cold storage plants and air conditioned buildings and also for partition blocks in multi-storied buildings. It is not considered necessary to have further tests carried out in respect of these at C.B.R.I Roorkee.

(Ministry of W. H. & S. O.M. No. Budget-5 (14)/55, dated the 3rd March, 1956).

NAHAN FOUNDRY LIMITED

98 The rollers of the Sultan Cane Crusher should be made of a bigger diameter, as the size of the roller directly affects the crushing capacity.

The Government of India do not consider it possible to accept this recommendation as manufacture of Cane Crushers of bigger diameter would involve considerable capital investment which the Foundry cannot afford to do in its present financial difficulties.

(Ministry of Iron and Steel O.M. No. 5(10)1/55, dated the 14th January, 1956).

[*Comments of the Sub-Committee, 1955-56:*

The Ministry may please furnish a note regarding the requirements of the country for Sultan Cane Crushers of a bigger diameter and also whether the resort to manufacture of cane crushers of bigger diameter by the Nahana Foundry would be an economic proposition in relation to the present demand in the country.

(*L.S.S. O.M. No. 54 (2)-EC I/56, dated the 20th June, 1956*).

[Note regarding the manufacture of Sultan Cane Crusher of a bigger diameter by the Nahana Foundry Private Ltd.]

The Nahana Foundry is at present manufacturing a small number of Sultan Cane Crushers of a bigger diameter on an experimental basis. If these experiments succeed and the crushers are found to be efficient and economical, the question of their mass scale production, with reference to their demand in the market will be considered by the Foundry. It may, however, be added that it is not possible to assess precisely the likely demand for Sultan Cane Crushers of a bigger diameter.

(*Ministry of Commerce and Industry O.M.No. 18(12) NIDC/57 dated the 19th June, 1957*).

101 Gratuity rules and labour welfare measures as applicable to other factories should also be made applicable to this Foundry.

The Board of Directors of the Foundry has been requested to examine this matter and to amend gratuity rules, etc. wherever it is considered necessary and practicable. It may be mentioned that these matters have also been considered by a Special Enquiry Committee whose report is also under consideration of the Government.

(*Ministry of Iron and Steel O.M. No. 5(10)I/55, dated the 14th January, 1956*).

[*Comments of the Sub-Committee, 1955-56*

A copy of the report of the Special Enquiry Committee together with the action taken or proposed to be taken by Government on the recommendations contained in the report of the Committee may be placed before the Estimates Committee.

(L.S.S. O.M. No. 54 (2)-EC. 1/56, dated 19th January, 1956).

The Government of India set up in February, 1955 a Committee consisting of Shri Radhe Lal Vyas, M.P. (Non-official Chairman), Shri P. M. Nayak, ICS, (Member) and Shri B. P. Sinha (Technical Adviser) to enquire into the various issues connected with the working of the Foundry, which had been raised by the Nahau Foundry Mazdoor Panchayat. No formal terms of reference were laid down for the committee but the late Ministry of Production in their letter to Shri Vyas mentioned the following way of terms of reference :

“The Government do not propose laying down any definite terms of reference for the Enquiry Committee, but you are aware that the Nahau Foundry Mazdoor Panchayat have made the following three demands :

- (i) a techno-judicial enquiry into the working of the foundry ;
- (ii) the separation of the technical side of the foundry from the administrative side ; and
- (iii) an enquiry into the various irregularities and acts of ill-treatment, harassment, favouritism, etc. alleged to have been committed by the Management.

In the opinion of the Government these three demands should help define the nature and scope of the enquiry.

In addition, the Committee's findings on the circumstances which led to the labour unrest and agitation and any recommendations they would like to make for relieving the labour unrest would also be greatly welcomed by the Government."

The Committee submitted only one copy of its report and it has all along been treated as confidential. As the Chairman and the Members of the Committee were not able to agree on a majority of points and submitted separate reports, Government arrived at conclusions which were set out in the Memorandum No. 18(6) NIDC/56, dated the 31st May, 1956 a copy of which is enclosed. (Appendix VII).

(Ministry of Commerce and Industry O.M. No. 18(12)/
NI.DC/57, dated the 19th June, 1957.)

[Comments of Sub-Committee 1957-58 :

The Ministry may be asked to state specifically the extent to which gratuity rules and labour welfare measures applicable to other factories have been made applicable to the Foundry].

Only gratuity was in force before the Provident Fund Scheme was introduced in the foundry in November, 1952. With the introduction of Provident Fund, Gratuity was stopped in case of those covered by the Provident Fund Scheme. However, in pursuance of an agreement between the Management and the Labour on their demands it has been decided to have both Provident Fund and Gratuity from 1-10-56. The rules governing Gratuity will be those applicable

to the Railway Employees i.e. Railway Gratuity Rules. Other welfare measures in vogue in the Foundry are :—

1. Free medical aid.
2. Free education to adult illiterate employees .
3. Canteen which is running on no profit no loss basis.
4. Club facilities.
5. Radio and loud speakers for the entertainment of workers during lunch hours and other functions.
6. Stipends to children of the deserving employees.

(Ministry of Commerce & Industry O.M. No. 18(12) NIDC/57, dated the 21st August, 1957.)

CHAPTER IV

REPLIES OF THE GOVERNMENT THAT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE
AND ARE BEING PERSUED.

Serial No. of the Report	to Summary of Recommendations	Reply of the Government	Comments of the Committee
1	3	4	5

SINDRI FERTILISERS AND CHEMICALS LTD.

- 4 II The Committee recommend that proper cost accounting should be done and the actual cost of production of each by-product should be worked out.
- This is already being done in respect of ammonium sulphate and the various intermediate products. In respect of the by-products of the Coke Oven Plant, costing will be undertaken as soon as conditions have stabilised.

[Ministry of Production O.M. No. Py.-
I-13-(1)/55, dated the 14th February,
1956].

[Comments of the Sub-Committee, 1955-56]:

The Ministry may be requested to explain the difficulties in undertaking costing in respect of by-products of the Coke Oven Plant now and to indicate when they consider it would be possible to take action as recommended.

[L.S.S. O.M. No. 54(1)-EC. I/56, dated the 21st June, 1956].

In regard to the working out of the actual cost of production of each of the by-products of the Coke Oven Plant, skeleton forms for arriving at the cost of production are under preparation and are expected to be finalised shortly.

[Ministry of Production O.M. No. Fy. I-13(1)/56, dated the 29th September, 1956].

The Ministry have been requested to intimate the latest position.

6 18

The present position of supply of spare parts is not satisfactory. In order to avoid any break-down of production for want of spare parts the following suggestions are made :

(i) The Company should explore all avenues for getting the spare parts produced in India itself.

Constant endeavour must be made in this direction either through

(i) Efforts are being made to suitably equip Sindri's workshop to manufacture reasonable numbers of spares and to recondition them if necessary. As regards such spares which could not be manufactured in Sindri, steps have been taken to send one of Sindri's engineers on an inspection tour to report what firms in India could undertake such work. A list of such firms is maintained and orders are placed with them.

direct contacts with commercial organisations or through advertisements.

(ii) A larger stock of spare parts should be built up.

(ii) Spares to the extent considered reasonable are being kept. Where difficulty arises is in cases in which the spares are not delivered as promised or in which spares have been used up more rapidly than originally foreseen and replacements are tardy in arriving. It is not possible altogether to eliminate such cases, which will have to be dealt with on *ad-hoc* and emergent

(iii) It may be examined whether it would be possible to enter into agreements with suppliers of original machinery for the supply of spare parts.

(iii) Usually, when installing equipment action is also to be required for say one year. The supplying firms usually do not make any difficulties about this. It may not be possible to get the firms to enter into long time contracts since with advance in tech-

nology and change in model they do not continue to manufacture spare parts for older models.

This is particularly true of the U.S.A. However, the possibility of entering into agreements for this purpose with M/s Montecatini (in connection with the Sindri Expansion Scheme) as well as other suppliers of original machinery will be explored as far as possible. The good offices of the original suppliers can always be called upon for obtaining spare parts.

(iv) The capacities of the various major engineering works should be known to the company so that in case of any emergency a part may be got manufactured or repaired without delay.

(v) The Company should find out the other Government organisations which use similar equipment using similar spare parts so that in an emer-

(iv) Please see reply to para 18(r) above. It is however found that the help received in this direction is not substantial, particularly as our individual requirements are small and invariably entail special effort on the part of the firms.

(v) Ordinarily there are no factories in India which use the same kind of machinery and equipment and therefore can be of assistance. The suggestion, however, has been noted.

gency a spare part may be taken on loan till those on order from abroad arrive.

(vi) The Factory should itself undertake as far as possible the manufacture of spare parts which are not available elsewhere or cannot be got manufactured elsewhere more cheaply.

(vi) This is already being done.

[*Ministry of Production O.M. No. Fy. 1-13(1)/55, dated the 14th February, 1956*].

(Comments of the Sub-Committee 1955-56 on the reply).

The Ministry may be requested to state:

(a) to what extent spare parts are procured from indigenous sources and to what extent it is found necessary still to rely on foreign sources.

About 50% of the requirements for spare parts are still procured from foreign sources.

Such a list has not been prepared because it has to be decided from case to case whether a part has to be imported after making enquiries as

The Committee feel that a list of spare parts which can be met only by imports should be drawn up on the basis of the purchases and should be periodically revised so that information will be readily available as to the leeway still to be made in the matter of indigenous production of spare parts. The list and necessary information should be made available to Associations of Manufacturers and Engineering Industries. The possibilities of

(b) Whether a list of spare parts has been drawn up which should be met only by imports.

(c) Further steps taken in implementation of the suggestion of Committee in item (v) may be intimated.

regards their availability from indigenous sources.

utilising the spare capacities of Defence Industries should also be explored.

No specific action has yet been taken as the range of common equipment is small. Enquiries are however being made of the Central Tractor Organisation to ascertain if they are in a position to supply spare parts for earth moving equipment belonging to the factory.

(d) As regards item (vi) the extent to which spare parts are manufactured in the factory itself may be stated.

The factory is now undertaking the manufacture of approximately 25% of the spare parts used in it and this percentage is expected to increase further in due course.

[L.S.S. O.M. No. 54(1)/EC.1/
56, dated the 21st June, 1956].

[Ministry of Production O.M. No. Fy.-
1-13(1)/56, dated the 29th September,
1956].

8 21

Consumption standards should be fixed for all stages of production and a strict

S.F. & C.L. have already started trying to get at the standard requirements by discussions month after month

The Committee feel that the experience of foreign firms and our own experiences gained so

watch kept to ensure that excess consumption of stores does not take place. Regular checks should be made by the supervisory staff and the Superintendents by means of charts and remedial action taken without delay. Excess stage-wastages should similarly be discouraged and for this also standards should be laid down and their observance vigilantly watched.

on cost of figures and on the consumption of materials for the quantities of final products put forth. The variations are being examined and wherever excess consumptions are indicated, detailed examinations are made by the supervisory staff on the plants as well as at higher levels by the superintendents. It is an extremely difficult matter to prepare standards of requirements in the first few years of working. Even at Billingham (I.C.I. Works in the U.K.) it took them not less than twenty years to arrive at certain standards and to prescribe schedule maintenance programme; even then, they have not been fully satisfied with what they have achieved. There are various factors to be taken into account before setting standards.

far should be useful for fixing of consumption standards and reiterate, therefore, the recommendation. The Committee would like to be informed when such standards will be fixed.

[Ministry of Production O.M. No. Fy-
I-13(1)/55, dated the 14th February,
1956].

Alternative sources of supply of gypsum should be examined with a view to see whether a cheaper supply of this material would be available for the factory.

From the very inception, the alternative sources of gypsum have been considered. Fairly large quantities of Pakistan gypsum were obtained and tried experimentally. Though this gypsum was considered fairly good from the point of view of the manufacture of ammonium sulphate, it was exceedingly costly compared with the gypsum from Rajasthan.

S.F. & C.L. are shortly going to examine the gypsum available in Saurashtra. The samples are expected shortly.

The question of importing gypsum from Cyprus has also received considerable attention. Owing to the heavy cost of transport (which has now been reduced considerably) and the difficulty of shipping larger quantities needed by Sindri, the purchase of gypsum from this source had to be dropped at that time. The matter is under re-examination taking into account the present conditions and if it becomes necessary, the question of getting from this source as well may be considered.

(Ministry of Production O.M. No. Fy.-
I-13 (1)/55, dated the 14th February,
1956.)

The Ministry of Commerce and Industry may be asked to furnish the following particulars:

(i) Whether it is necessary to depend upon Pakistan for import of gypsum and what is the quantity imported.

(ii) The present position and future policy in respect of such imports and what steps are being taken to reach self-sufficiency in respect of gypsum.

(iii) The technical feasibility of using even lower quality gypsum available in India after suitable treatment.

(iv) Cannot extra cost of Saurashtra gypsum, due to the unnecessary freight towards clay mixed with the gypsum be reduced by having washeries in Saurashtra itself?

(v) The quantity of gypsum used by Sindri during the last 12 months classified as that obtained from Pakistan and India, as well as the programme for use of imported and indigenous gypsum.

(*Comments of the Sub-Committee, 1955-56*).

The Sub-Committee may be apprised of the reasons for the delay in examining the gypsum available in Saurashtra, the suggestion in this respect having been made more than a year back. It may also be intimated as to whether other sources in India have been considered.

(*L.S.S. O.M. No. 54(1)-EC-1/56, dated the 21st June, 1956*).

The decision to get about 2000 tons of gypsum from Saurashtra for trial on plant scale was taken in December, 1955. During the early part of 1956 two officers of the factory were deputed to Saurashtra for obtaining the necessary details regarding the gypsum available at Saurashtra as well as to arrange for the despatch of the same if suitable. On further investigations at site, it was found that the gypsum was of lower purity ranging from 75 to 80 % and that too admixed with large amount of clay matter which will have to be washed off before feeding into the plant thereby incurring extra expenditure for washing as well as for the unnecessary freight towards clay. Further the cost of gypsum from Saurashtra, delivered to Sindri worked out abnormally high at about Rs. 58/8/ per ton without washing. In view of the foregoing it was decided to drop this matter.

It has been decided to work another deposit in Rajasthan at Uttarlai and preliminary action has already been

The Ministry of Steel, Mines and Fuel may also be requested to comment on the availability of suitable quality of gypsum in this country and the possibilities of large scale upgrading of the ore obtained in India for the purpose of use in the fertiliser factory.

taken. About 3 million tons of gypsum is expected to be available from the deposits.

(*Ministry of Production O.M. No. Fy. 1-13 (1)/56, dated the 29th September, 1956.*)

Further information required for the Committee.

The Ministry may please indicate the latest position regarding the work on the deposit in Rajasthan.

(*L.S.S. O. M. No. 54 (1) EC-1/56, dated the 22nd April, 1956.*)

The working of the Utterlai gypsum mines in Rajasthan was started on the 2nd September, 1956. Upto the end of April, 1957, despatches of gypsum from these mines have been to the tune of 114,294 tons. The average monthly despatch of 1957 have been 18,673 tons. When some of the equipments on order like diesel locos, crossings for tram-line tracks, fish plates etc. are received on site and the railway siding is fully worked, production will be stepped up further.

(*Ministry of Commerce and Industry O.M. No. Fy. 1-13(1)/55, dated the 6th July, 1957.*)

Sindri Fertilizers & Chemicals Limited are examining the relevant papers with a view to determining if an enquiry would be fruitful at this stage. On the completion of the examination, the final comments will be forwarded.

10 24 An enquiry should be instituted to ascertain the persons responsible for the faulty designing and construction of the Power Station, and for fixing the responsibility therefor.

(Ministry of Production O. M. No. Fy. 1-13(1)/55, dated the 14th February, 1956).

The Estimates Committee appear to be under the impression that the imbalance in the Power House is the result either of deliberate design or incompetence on the part of those responsible for the design of the unit. This is not correct. The matter has been re-examined carefully in detail and the actual position is that, although generators were provided for a total maximum firm capacity of 60 m. w., the actual requirements of power for the Fertilizers Factory, including the export to D.V.C., were estimated at only 53 m. w.

The consulting engineers had accordingly been asked to design capacity sufficient to produce a power load of only 53 m. w. in addition to the requirements for process steam for the Fertilizer Factory. This they did by installing six boilers. They were of the view that there should be no difficulty in having five boilers

The Committee feel that the designing of a power house to produce a powerload less than the capacity of the generators was a shortsighted policy. The unsatisfactory standard of maintenance of boiler output, which is given as a reason for short-fall in production has to

available throughout the year and that, for the short periods, one of the five also may have to be out of commission. The remaining four would be able to take up the load of the five under conditions of efficient maintenance postulated by them. This view had been accepted as justified. In actual practice, however, the boiler plant availability was less than anticipated. The average availability over a period of two years has worked out to 79%, which means that each boiler has been out of commission for about 2-4 months in a year. This meant that for prolonged periods totalling nearly three months in a year only four boilers would be available. With this boiler availability the firm load could only be 45 m.w. The decrease in the availability of boiler capacity is mainly attributable to the standard of maintenance being not as high as envisaged. Standards of maintenance obtainable in India cannot obviously be compared to those obtaining in the technically more advanced countries of the West. The addition to the boiler and cooling tower capacity that is now proposed is intended to raise the firm availability of power to 60 m. w.

be further analysed into its basic causes, such as unsuitability of the boilers for existing conditions, lack of technical man-power, defective designs, inadequacy of spares and working capacity etc. If the standards of maintenance available in India cannot obviously be compared to those obtaining in technically more advanced countries, it is hard to understand why such an obvious factor was ignored in designing the capacity. The Committee feel that further investigations are called for in this direction.

The Committee would further like to know whether any other power plant in this country has experienced difficulties for reasons similar to what have been stated in the reply. The Sub-Committee would also like to have the comments of the Ministry of Irrigation and Power on this matter.

In these circumstances, it is considered that no useful purpose will be served by instituting further enquiries with the object of fixing responsibility for the disparity between the installed capacity of the generators and the boiler and cooling tower capacity.

(Ministry of Production O.M. No. Fy. 1-13 (13)/55, dated the 9th July, 1956).

12 30 The whole position of shortages of stock should be reviewed immediately and remedial action taken to prevent occurrence of such shortages in future. A small Committee of Technical Experts should be appointed to go into the question of the extent to which wastages of such material could be considered as normal conditions during the course of working. If, as a result of this en-

The matter is under examination.

(Ministry of Production O.M. No. Fy. 1-13 (1)/55, dated the 14th February, 1956).

As already explained to the Committee, the shortage of 5947 tons i.e. the stock of ammonium sulphate valued at Rs.13,35,871/- was due to a variety of reasons. It has also been explained that this shortage had occurred over a period of nearly 3 years during which the total pro-

The Committee recommend the fixation of norms for wastage of material in the factory based on the experience gained so far and on the experience of foreign firms in this line.

quiry it is found that the shortages which have occurred already are abnormal, responsibility for this should be fixed on the persons concerned.

duction was nearly 5,94,000 tons, and that the shortage worked out to about 1% of the total turnover. It is not considered abnormal. Steps have been taken to improve arrangements which will minimise differences in stock in future. It is not considered necessary to institute a special enquiry with a view to fixing responsibility for the shortage in the stock of sulphate referred to above.

As regards the question of fixing norms for the wastages of such materials in the factory, it is considered that it is too early to take up this question, as the Sindri Factory has been in operation for only a few years. Production in the factory has only recently been stabilised at the rated capacity and the question of prescribing norms for wastages etc. will be taken up after production at the rated capacity has been continuously maintained over some years. Nevertheless, the Company is in correspondence on the subject with other heavy chemicals manufacturers like I. C. I.

(Ministry of Production O.M. No. Fy. 1-13 (13)/55, dated the 9th July, 1956).

19 45 Proper care should be taken to render correct advice to the cultivators in this regard. Proper research as to the suitability of the various fertilizers to the various soils and to the proper methods of their use should be conducted and wide publicity should be given to these matters through the I. C. A. R. Research should be undertaken not only with regard to the use of the chemical fertilisers but also on the use of organic and country-made manure.

21 48 The Adibasis form a large part of the local population in the factory area and they should, therefore, along with others be given full opportunities for training and service in the factory. The educational institutes attached to the factory should also as far as pos-

The Ministry of Food & Agriculture have brought to the notice of the Indian Council of Agricultural Research the recommendations contained in para 45 of the Estimates Committee's Report and requested them to take necessary action.

(Ministry of Production O.M. No. Fy. 1-13(1)/55, dated the 23rd February, 1956).

The Ministry have been requested to indicate the reply from the I. C. A. R. as well as details of further action taken in this respect by I.C.A.R.

Evicted and displaced villagers in and around Sindri (majority of whom are Adibasis) are given preference in recruitment to posts in the factory, if they are otherwise suitable. A weightage of 20% for displaced villagers and 10% for refugees and people of the locality is given while placing indents on the - local Employment Exchange.

sible be open to the children of the people in the neighbourhood including the Adibasis who may not be employees of the factory, as a measure of welfare and the improvement of the community.

(Information required for the Committee).

The percentage of Adibasis actually recruited may be furnished (L.S.O.M. No. 54(1)—EC/55, dated the 6th April, 1956).

(Comment of the Sub-Committee, 1956-57).

The percentage of Adibasi students studying in the schools run by the factory may be indicated.

Adibasis are admitted to the schools run by the Factory to the extent accommodation is available.

(Ministry of Production O.M. No. Fy. I-13(1)/55, dated the 14th February, 1956).

The percentage of Adibasis in the employ of Sindri Fertilisers & Chemicals Private Ltd. was 6.57 of the total labour force, as on 1-1-56.

(Ministry of Production O.M. No. Fy. I-13(1)/55, dated the 15th May, 1956).

The information is furnished below:-

The Committee consider that the percentage of Adibasis in the employ of the factory is too low and recommend that effective steps must be taken to increase it.

Name of the school.	Total No. of Adibasi students.	% of Adibasi students.
Rajendra High School (Boys).	319	4.125%
Rajendra High School (Girls).	177	Nil.

Rajendra High School (Boys): 319 ; 4 1.25%
Rajendra High School (Girls): 177 Nil. Nil.

As regards admission of Adibasis to schools run by the factory,

1	2	3	4	5
				additional accommodation should be found wherever the existing one is inadequate.
	Rajendra Middle School (Saharpura)	567	8	1.41%
	Rajendra L. P. (Saharpura)	561	2	0.35%
	Rajendra U. P. School (Sindri)	254	73	28.7%
	Rajendra L. P. (Domgarh)	95	Nil.	Nil.
	Kindergarten School (Rorhabad)	277	Nil.	Nil.

(Ministry of Production O.M. No. Fy. I-13(1)/56, dated the 29th September, 1956).

NEW DELHI;
The 27th November, 1957.

BALVANTRAY G. MEHTA,
Chairman,
Estimates Committee.

APPENDIX I

Summary of Conclusions and Recommendations of the Expert Committee on the Hindustan Housing Factory

The Committee recommend that :

- (i) The Hindustan Housing Factory should continue to produce prestressed and precast concrete components ; woodwork required for housing and foam concrete blocks for insulation and partition in buildings, as there will be a reasonably good demand for these products in the near future.
- (ii) For purposes of well-balanced production, it is necessary to make certain additions and improvements in the Prestressed and Precast Concrete Department and the Woodwork Department. Since the Foam Concrete Department is over-capitalised, it is necessary to dispose of certain surplus items of plant and machinery and to reassess the value of the remainder in relation to its utilisable production capacity.
- (iii) The Hindustan Housing Factory be continued to run as an entirely state-owned private limited company.
- (iv) The Factory's authorised share capital may be Rs. 75 lakhs.
- (v) The paid-up capital be taken as Rs. 40 lakhs which should include :
 - (a) the value of the land in the Factory premises at its original book value ;
 - (b) the written down value of the plant, machinery, building etc., the foam concrete machinery being depreciated to 20 per cent of its present book value , and
 - (c) the cost of an additional plant and machinery recommended to be installed.
- (vi) The working capital to be advanced by Government as a loan to the Factory on the most favourable rates of interest possible from time to time should range from Rs. 30 to Rs. 40 lakhs as required, setting off against this figure such advances as may already have been given by Government to the Factory to keep it going subsequent to 15-8-55. The intention of the Committee is that when the reorganisation becomes effective, the fully Government owned Hindustan Housing Factory Limited should start with a realistic capital structure without carrying a backlog of burdens, whether of capital or of losses incurred during the partnership with B.S.W.
- (vii) The Factory should be controlled by a Board of Directors assisted by a General Manager.

(viii) The Factory should achieve a minimum production of Rs. 40 lakhs, a year in order to break even. A production of Rs. 45 lakhs will yield a net return of 3 per cent, while production of Rs. 50 to 55 lakhs may result in a net return of approximately 6 per cent.

(ix) In order to achieve the targets of production mentioned above, Government Departments in particular should indent their requirements from the Factory.

APPENDIX II

Hindustan Housing Factory Private Ltd., New Delhi.

Report of the Board of Directors of Hindustan Housing Factory Private Ltd. for the year 1st August, 1955 to 31st July, 1956

The Directors of the Hindustan Housing Factory Private Limited have pleasure in submitting the Report on the accounts of the Factory for the financial year ending 31st July, 1956.

The Hindustan Housing Factory Private Limited came into existence on 1st April, 1953 when the Government of India and Messrs. Basakha Singh Wallenborg Ltd., entered into a partnership as Shareholders to carry on the business of manufacturing prestressed and precast R.C.C. components, wooden doors, windows and furniture, light weight concrete blocks for insulation and partition and fabrication of steel.

As a result of continued losses which amounted to Rs. 14·7 lakhs, Messrs Basakha Singh Wallenborg approached the Government for terminating their contract. After due consideration the Government decided to terminate the Agreement. In accordance with this decision, the Government took over complete control of the Factory on 16th August, 1955 and the shares of loss of the Government was limited to Rs. 5 lakhs and B.S.W. bore the remaining loss of Rs. 9·7 lakhs.

The Government set up an Experts Committee to report on the feasibility of the Factory being run in its existing form or some other form and if either of these alternatives was not feasible, the Committee was to consider how best the Factory could be disposed of. The Experts Committee has submitted its report to the Government on 23rd October, 1956, which is under consideration. In the meantime the Factory is being run as an interim measure by Government.

Working of the Factory from 16th August, 1955 to 31st July, 1956

During this period the Factory continued production in its three Departments, namely (a) Prestressed Concrete Department, (b) Woodwork Department and (c) Foam Concrete or Light Weight Concrete Department. Economies were effected by dispensing with the services of Foreign Experts and other highly paid Officers appointed by Messrs. Basakha Singh Wallenborg Ltd. Thus the heavy overheads were reduced. The Government advanced a sum of Rs. 18·5 lakhs to the Factory to provide working capital and to repay the loan of 4·14 lakhs to the Punjab National Bank Ltd.

Working of three Departments during this period

(1) *Prestressed and Precast Concrete Departments*—Orders to the extent of Rs. 13·54 lakhs were executed and orders worth about Rs. 15 lakhs were secured. It is expected that this Department will be in a position to exe-

cute orders worth Rs. 20 lakhs per annum with the construction of two new prestressing tables.

(2) *Woodwork Department*—This Department has executed orders worth Rs. 14 lakhs and orders worth Rs. 14½ lakhs are in hand. It is considered desirable to establish kilns for seasoning of timber and treatment plant to improve the quality of products. The seasoning kilns will also enable the Factory to use secondary species of timber for the manufacture of doors and windows, thus reducing the demand of standard species of timber which are now in short supply. With this seasoning and treatment plant, the Department can be run on economical lines.

(3) *Foam Concrete Department*—This Department executed orders to the extent of Rs. 2.3 lakhs for insulation material for cold storage plants. Foam concrete is much cheaper than cork, and, therefore, there is a possibility of demand for this material in future for use in cold storage plants. It is also established that this material can be used economically in place of brick partition walls in multi-storeyed buildings. It is, however, necessary to undertake an extensive educational publicity for the use of the foam concrete products.

GENERAL

During the current year, the Factory has achieved a production of approximately Rs. 30 lakhs. The loss for the current year comes to Rs. 53,684/13/3. The factory had incurred a loss of Rs. 59,498/10/3 for the period from 1st August, 1955 to 15th August, 1955, which loss has been carried over in the Balance Sheet. Thus it will be seen that the Factory has actually made a net profit of Rs. 5,813/13/0 for the period from 15th August, 1955 to 31st July, 1956 — the period of working fully under the control of the Government.

If the recommendations of the Experts Committee regarding the depreciation of fixed assets is accepted, the Factory will get a further relief. It would, therefore, appear that the Factory has turned the corner in its history. With proper support from all Government Departments in the shape of regular orders and proper advertisement of the products for increasing the demand in the private sector and giving effect to the suggestions of the Experts Committee, the Factory should be able to make profits in the near future, thus utilising the fixed assets of the Government to the best possible extent.

We hope the Government will take early steps to implement recommendations by the Experts Committee and thus put the Factory on a sound and economical basis.

APPENDIX III

IMMEDIATE

No. P-69(3)/55-(I)

GOVERNMENT OF INDIA

Ministry of Production

New Delhi, the 9th August, 1956

OFFICE MEMORANDUM

Subject :— Action taken on the recommendations in the 13th Report of the Estimates Committee —Sindri Fertilizers & Chemicals (Private) Ltd.

With reference to para 2 of the Ministry of Works, Housing & Supply O.M. No. Pur-45(5)/55 dated the 3rd July, 1956 addressed to the Lok Sabha Secretariat and copy endorsed to this Ministry on the subject mentioned above, the undersigned is directed to say that the industrial undertakings under this Ministry have been instructed that they should keep the Directorate General of Supplies & Disposals informed from time to time of their production capacity, stock position etc. to enable the C P O to effect proper co-ordination between supply and demand.

Sd/- K. P. K. MENON,

*Deputy Secretary to the Government
of India.*

To

The Lok Sabha Secretariat,
New Delhi (2 copies)

Copy with a copy each of the Ministry of W.H. & S. O.M. No. Pur-45(5)/55, dated the 13th June, 1956, (together with a copy of O.M. No. Pur-19/Recomm/69/53, dated the 7th May, 1956 referred to therein) and O.M. No. Pur-45(5)/55, dated the 3rd July, 1956 forwarded, in continuation this Ministry's Endt. No. 69(3)/55/ C & G dated the 13th October, 1955 (copy enclosed), to the Ministries of Communications, Defence, Finance, Health, Iron and Steel, Irrigation and Power, Railways, Rehabilitation, Commerce and Industry, N.R. & S.R., and the Department of Atomic Energy, Apollow Pier Road, Bombay-1 for issuing suitable instructions to the industrial undertakings run by them.

Copy also forwarded for information to the Ministry of Works, Housing and Supply, New Delhi with reference to para 2 of their O.M. No. Pur-45(5)/55, dated the 3rd July, 1956.

Copy with enclosures forwarded for information to the :

- 1 The Ministry of Finance (P.E.N. Division).
- 2 The Planning Commission, New Delhi.
- 3 Budget Branch in the Ministry.

Sd/- K.P.K. MENON,
Deputy Secretary to the Govt. of India.

APPENDIX IV

“Sindri News” and “Sindri Samachar”

1000 copies each of the “Sindri News” and the “Sindri Samachar” are printed every month. Circulation figures for these two publications are as follows :—

Sindri News :

Circulation (1955-56)

Average number of copies sold per month at the rate of annas four each through direct sales, annual subscriptions and commission agents 400 copies

Average number of complimentary copies distributed to various important Government and industrial establishments, libraries, Departments of Agriculture of various State Governments, Secretary to the Department of Parliamentary Affairs, Librarian, Parliament Library, important officials of Central and State Governments, various information Centres of the Government of India, Co-operative organisations, agricultural associations, social services organisations, newspaper, etc. 295 copies

Important visitors 150 copies

(This varies from month to month depending on the number of such visitors)

Expenditure (1955-56)

Expenditure on account of printing, block-making, postage, Rs. 13,850
 Av. Rs. 1,150
 (per month)

Revenue (1955-56)

From advertisements Rs 4,144 6 0
 From sale of copies Rs 1,200 0 0

Rs. 5,344 6 0
 (Av. Rs. 445/- p.m.)

Sindri Samachar :

Circulation: (1955-56)

The publication of “Sindri Samachar” has been started only recently and efforts are being made to build up its circulation. The average number of copies sold 200 copies per month

- Besides, a large number of copies are being distributed as complimentary with a view to introducing the publication to the various classes of potential readers both at Sindri and outside.

Expenditure :

Cost of printing 1000 copies of 'Sindri Samachar' per month Rs. 395

Revenue :

By sale of 'Sindri Samachar' per month Rs. 25

The same blocks which are made for the English edition, are used in 'Sindri Samachar' as well. Besides, 'Sindri Samachar' contains only 12 pages. These account for less printing cost on 'Sindri Samachar'.

Details required

For 1954-55

2

For 1955-56

3

Supplementary Information

I

4

(i) The number of items of news and articles of interest supplied to Press.

65 articles and press releases

70 articles and Press releases

In addition, material containing general information about the factory and its progress were supplied to various institutions and individuals on request.

(ii) The number of articles and other material supplied to the Press for their special supplements.

6 special articles and 9 photographs were supplied to newspapers for special supplements on the occasion of the opening of the Coke Oven Plant. The following newspapers brought out the supplements which ran into 16 pages:

(1) Material for the Eighth year of Freedom.
(2) Adv. in the Eighth Year of Freedom.

Besides publicity through the Press a brochure was also brought out on the occasion of the opening ceremony of the coke oven plant. A booklet entitled "Fertilizers and India's Food" and Sindri 1955 and 1956 diaries containing general information about Sindri and colour photographs of the various plants.

(1) Statesman, Calcutta-Delhi.

(2) Amrita Bazar Patrika, Calcutta-Allahabad.

(3) Hindustan Standard, Calcutta-Delhi.

(3) Adv. in Special No. of the Indian Worker.

(4) Adv. in Ahdhra Vanitha Mandali, New Delhi.

(5) Adv. in Sixty-First Session of the Indian National Cong. Souvenir; Delhi Union of Journalists' Souvenir.

(4) Hindustan Times, Delhi.

(6) Adv. In Souvenir-cum-Guide to the Indian Industries Fair Delhi.

In addition two special articles with photographs were contributed for special supplements on the occasion of Independence Day and the Republic Day.

(5) Hindu, Madras, and

(6) Times of India, Bombay-Delhi.

In addition two, special articles with photographs were contributed for special supplements on the occasion of the Independence Day and the Republic Day.

(iii) The number of films produced in collaboration with the Films Division, and the details of the actual work involved in such collaboration.

Two documentary films, each 1,000 feet in length, were made in collaboration with the Films Division. One was entitled "WHITE MANURE" showing various essential aspects beginning from the production and despatch stage at Sindri to the use of fertilizers in the fields and benefits thereby to the cultivators. The other was entitled "INDUSTRIAL BIHAR" in which adequate

Nil.

footage was given to Sindri showing the progress of Sindri as an outstanding Industrial enterprise since Independence. About two months' time was devoted to this work. The Films Division Staff was helped by suggesting the lines on which the films should be made, as also in actual direction in taking the 'shots' material for commentary and also its final editing.

(iv) The number of material supplied to A.I.R. for special broadcast.

12

(v) The number of exhibitions in which Sindri participated.

15

Sindri participated in the following exhibitions:

- | | |
|--|---|
| (1) the 60th Congress Exhibition Madras; | (1) Third International Fair at Djakarta; |
| (2) Swiss National Fair at Lausanne (a set of large-size photographs; and other educative charts and posters were sent); | (2) Indian Industries Fair, New Delhi; |

(3) Congress Exhibition at Bangalore. .

20,000 publicity literature in the form of folders in English, Tamil and Hindi were distributed in the above exhibitions.

(3) International Exhibition at Karachi: (Sindri sent only educative charts, and leaflets and photographs).

20,000 publicity literature in the form of folders in English and Hindi were distributed in the above exhibitions.

(vi) No. of visitors to Sindri.

35,000 visitors.

Handouts (both in English and Hindi) descriptive of the factory and its progress were supplied to the visitors from time to time.

Talks were also arranged for the benefit of the various groups of visitors such as students, farmers and N.C.C. Cadets, Bharat Sewak Samaj workers etc.

APPENDIX V

Statement showing action taken by State Governments regarding storage and distribution of fertilisers

Andhra Pradesh :

The distribution of ammonium sulphate has been entrusted to the co-operative societies. This system is working satisfactorily. There is no need to open State-sponsored depots. There are no complaints in respect of distribution through Cooperatives. There is therefore no need to entrust the work to Panchayats etc. The distribution arrangement has been adjusted in such a way that the farmer can obtain whatever quantity of fertilisers he requires with the least amount of difficulty.

Bihar :

The State have a net work of about 170 Agricole depots maintained by the Bihar State Cooperative Bank Ltd., Patna, who is the sole-distributor throughout the State for storage of fertilizers in sufficient quantities. Besides fertilisers are also stocked in sufficient quantities in sale centres opened in rural areas so that the cultivator there are able to obtain fertilisers whenever they are in need of the same. Fertilisers are also stocked in rural areas by Multi-purpose Cooperative Societies who are selling agents of the Cooperative Bank. The work is also being entrusted to 'Vikas Mandal Sahyog Samities' *i.e.* Block Development Cooperative Marketing Unions in areas covered by the N.E.S. Blocks.

Bombay :

Fertilisers have been made freely available to traders and cooperatives. In view of this, many traders, cooperatives in the consuming areas are coming forward for indenting ammonium sulphate. Important centres in the State thus automatically get a continuous flow of the material. The traders have realised and the State Government are making constant efforts to make them realise the need for taking stocks of fertilisers in advance of the peak periods. The facility of credit against bank guarantee is given and charges on godown rent are also paid to indentors on the meter-guage line where transport difficulties are experienced in peak period.

Although the supply of fertilisers is freely made to traders and cooperative societies are given a concession of Rs. 5/-per ton, the indents for supply of fertilisers to C.P. areas are given preference.

Special facilities given are :—

- (a) When fertilisers are required to be moved at a Centre away from the rail-head, transport expenses in the form of distance rebates are given. 94 Centres were selected during 1956 for grant of distant rebates.

- (b) Special remuneration and transport charges to small indentors other than those selected for distant rebates are proposed to be given with a view to enable them to purchase ammonium sulphate and sell it in the interior places. This measure is calculated to achieve the object of carrying fertilisers nearer to the consuming centres.

Delhi :

There are depots situated near the distributing points. The distribution is in the hands of cooperative societies. There is no difficulty for the cultivators in obtaining the quantities required by them.

Himachal Pradesh :

The distribution of fertilisers is done through cooperatives. Publicity is being done through C. P. Areas, N. E. S. Blocks and Panchayats, but distribution of fertilisers cannot be entrusted to them because of want of sale-arrangements with them. Moreover, Gram Sewaks have no time and facilities to handle distribution work of fertilisers.

(2) The depots under the Administration have at all times sufficient stocks to meet the requirements of the cultivators. The cultivators can get their requirements without any difficulty.

Kerala :

Existing storage facilities are fully utilised and sufficient buffer stocks are maintained in all the depots in the States. Panchayats, Cooperatives Community Projects and N.E.S. Blocks have already been entrusted with the distribution of manure. Wide publicity is being given by the C.P. Areas and N.E.S. Blocks as regards use of fertilisers. Under the existing system of distribution, cultivators are able to get manures without any difficulty.

Madhya Pradesh :

The entire distribution of fertilisers is through cooperatives in Mahakaushal area. This arrangement is being extended to other areas of new Madhya Pradesh State. The cooperative agency through which the distribution is being arranged has started a number of centres and sub-centres of distribution, so as to make fertilisers available to the farmer with the least possible delays. In the late Madhya Bharat and Bhopal States the distribution was through Departmental agency.

Madras :

In the State a taluk is treated as a unit for distribution of ammonium sulphate and four distributors have been appointed for each taluk to attend to the retail distribution. Generally the quantity indented for distribution in the taluk is stored at a suitable rail head or out-agency situated within the taluk. Thus the Government are maintaining stocks at depots very near the distributing points. Stocks of ammonium sulphate within a taluk are generally sufficient to meet 3 months requirements and there is no need to maintain buffer stocks on regional basis. Under the existing

arrangements, the District Cooperative Wholesalers Stores Ltd. are functioning as stock-holders on the agency basis and they attend to the receipt, storage and release of stocks. The retail distribution is attended to by four distributors of whom 3 are private merchants and the other is a cooperative. One third of the quantity is allotted to the Cooperative. The existing distribution arrangements are satisfactory. Panchayats, C.P. and N.E.S. Blocks are permitted to distribute sulphate of ammonia to meet any emergency.

Manipur :

The fertilisers are stored in Government farms under the responsibility of the State Government. Sufficient buffer stocks are maintained. Services of the village Level Workers of the N.E.S. Blocks will be utilised for distribution of fertilisers. The distribution machinery is being organised in such a way that the farmers get their requirements of fertilisers without any delay or difficulty.

Mysore :

There are eleven Central Godowns situated at District and important-rail-heads in the State where fertilisers are stocked in sufficient quantities for meeting any urgent demand in the respective areas.

The distribution of fertilisers is mainly entrusted to the cooperative societies. These are situated at taluk and circle levels. Each circle is assigned to about 20--25 villages. Steps have been taken to popularise the cooperative movements in N.E.S. Blocks and C.P. Areas.

Stocks are built up at taluk headquarters by engaging godowns. There is no difficulty for farmer to procure whatever quantity of fertilisers required by him.

Orissa :

(1) Buffer stocks are maintained at Cuttack and adequate stocks are always stored at the depots at Berhampur and Jharsuguda, which are important centres for diversion of stocks to interior of several districts. The storage of buffer stocks will be extended to other places as and when necessity arises.

(2) Arrangements are being made to distribute fertilisers through N.E.S. Blocks and C.P. Projects. Steps are being taken to utilise Panchayats for distribution of fertilisers.

Pondicherry :

The distribution of fertilisers throughout the State is under the control of the cooperative Deptt. The distributions are made by the Registrar of Cooperative Societies. The Government are considering the appointment of a cooperative marketing society as a wholesale dealer for the chemical fertilisers in this State so that it may be provided with storage facilities.

Punjab :

District Wholesalers Societies who have depots and sub-depots have been made to indent the fertilisers in such a way that there are always

sufficient stocks in hand, to meet the demand in the peak season, with each depot or sub-depot Officers of the various Deptts. such as Agriculture, Revenue, Cooperative, C. P. Areas and N.E.S. Blocks have been authorised to issue permits for fertilisers. The policy with the Government is that about 75% of the stocks are lifted in the first two quarters i. e. before the monsoon.

Rajasthan :

The State Government agrees to the suggestion for maintaining buffer stocks of fertilisers in the different points and action in that regard is being taken. The use of Panchayats and Cooperatives for publicity and distribution of fertilisers will fully be made both for developed and non-developed areas .

Tripura :

Arrangements for stocking of fertilisers in sated stores have been made. Publicity and distribution of fertilisers in rural areas have been made through the staff in C.P. Areas., N.E.S. Blocks, besides through the normal agricultural staff. Some Cooperative Organisations have recently been formed and the Admn. are contemplating to utilise these organisations

Uttar Pradesh :

Sufficient fertilisers to meet three months' requirements are stored at all depots. The distribution of fertilisers has been centralised through cooperatives with State-wise chain of distribution-depots. The agencies of Panchayats, C.P. and N.E.S. Blocks and other development agencies are being utilised for stepping up of consumption of fertilisers. The maintenance of buffer:stores might result in increase in retail price as their establishment is not considered possible or desirable.

West Bengal:

There are more than 2,500 depots scattered all over the State to make the fertilisers available to cultivators. Distributors are required to keep sufficient stocks in all their depots so that distribution work may not suffer at any time. The services of Panchayats etc. are being fully utilised. Cooperative Societies have been appointed as distributors whenever they agree to do the work.

The Ministry has also recommended to States that the distribution of fertilisers should be taken over by the Cooperatives gradually through a phased programme.

APPENDIX VI

Note on the Development of Copper Ore in Rajasthan during the Second Five Year Plan

Occurrences of copper in Rajasthan have been recorded at Khetri in Jaipur and in Daribo in Alwar. Of these two, the copper mines at Khetri are more promising. The Khetri mines are at present on lease with the Jaipur Mining Corporation Ltd., but Government intend to take over these mines, as they have not been developed by the existing lessees. Occurrences of malachite have been traced at Pratapgarh, Alwar.

2. The G.S.I. has taken up detailed examination of these occurrences. Mapping on aerial photograph of Daribo, Alwar and adjoining areas in Rajasthan is in hand. Large scale geological maps (100 feet to an inch) using plane tables and telescopic alidade were prepared for the mine area and was supplemented by geochemical prospecting of the probably mineralised zone. Similar detailed work has also been undertaken in the Khetri Copper belt. Further prospecting will have to be done in Daribo.

3. The following items of investigations have been included in the field season programme of the Geological Survey of India for 1956-57.

1. Continuation of the detailed mapping and prospecting of the Khetri Copper deposit, Jaipur.
2. Continuation of the Detailed mapping and prospecting of the Daribo Copper Belt, Alwar.
3. Investigation of the copper deposits in Pratapgarh and other places of the Alwar district.
4. Continuation of the electrical and magnetic investigations for copper ore in Khetri area.

The G.S.I. will take up detailed investigations of copper at Khetri by drilling in October-November, 1956.

The I.B.M. has started the work of detailed prospecting at Daribo.

These investigations mentioned are expected to furnish basic facts regarding the nature, grade, quantity and location of ore in Khetri and Daribo mines. After these essential data have been collected, work on a project report for the actual development of the mines and for mining and smelting of the ores will be undertaken.

Note on the latest position regarding the availability of resources of Copper in the country

Copper is mined by one Company (*viz.* Messrs. Indian Copper Corporation) only in India from the two mines Mosabani and Badia in Bihar.

These mines are worked jointly and their total production during 1954 and 1955 was as follows :

Year	Ore in tons	Metal in tons
1954	3,42,750	7,161
1955	3,95,419	7,281

According to the D.G.S.I., the proved reserves of these mines may last for about 15 years at the present rate of extraction.

2. Besides the above mines, India has the following copper bearing areas :

1. Khetri copper mines in Rajasthan which are leased to Messrs. Jaipur Mining Corporation.
2. Daribo copper mines in Rajasthan owned by Messrs. Daribo Copper Mines.
3. Gani area in Andhra which has been granted for prospecting to Messrs. Chari and Chari.
4. Copper deposits in Sikkim.
5. Occurrences of copper ore in Coimbatore, Kurnool, Nellore and Guntur in South India are recorded but detailed prospecting work has yet to be taken up.

The Indian Bureau of Mines propose to take up detailed prospecting and drilling in Daribo in Rajasthan and Gani in Andhra during 1956-57. The question of taking up investigation in Khetri in Rajasthan is also under consideration. The development of copper deposits by means of extensive drilling in the Singhbhum copper belt in Bihar has been included in the programme of work of the Bureau of Mines during the Second Five Year Plan. The details of the programme are now being finalised. Copper deposits of Sikkim have been included in the programme of the Indian Bureau of Mines for the development of copper deposits and the details of work are being settled.

3. The country's total requirements of copper have been estimated to be between 25,000 and 40,000 tons per annum. The present production meets only about 13% of the annual requirement.

4. A team of Russian Experts who were specialists in non-ferrous minerals, visited the Sikkim, Khetri and Daribo areas and have expressed the opinion that these areas hold very good promise and that intensive development both by surface and underground methods will have to be undertaken to prove the specific properties. The Russians have estimated that at Khetri, which is the more promising area, there would be available 5,00,000 tons of metal copper.

5. Steps have been taken to have detailed investigations of the copper bearing areas by the G.S.I. and I.B.M. After these investigations have been completed and the basic facts regarding the nature, grade, quantity and location of ore are ascertained, steps will be taken to develop the mines.

6. Government are already considering the taking over of the Khetri Copper Mines from the present lease holders with a view to develop it. This is expected to be finalised soon.

APPENDIX VII
No. 18(6) NIDC/56.
GOVERNMENT OF INDIA
Ministry of Commerce & Industry
New Delhi, the 31st May, 1956.

MEMORANDUM

In response to representations made by the Nahan Foundry Mazdoor Panchayat, Nahan, the Government of India set up, in February, 1955, a Committee consisting of—

Shri Radhe Lal Vyas, M.P.—*Chairman.*
Shri P. M. Nayak, I. C. S. — *Member.*
Shri B. P. Sinha,
Assistant Development Officer,
Development Wing — Technical Adviser.

to enquire into various issues connected with the working of the Foundry which had been raised by the Panchayat.

2. This Committee conducted a detailed investigation into the working of the Foundry. The Chairman and Member of the Committee were, however, not able to agree on a large majority of the questions raised and have submitted separate reports making differing recommendations on the more important issues. In the absence of agreed recommendations from the Committee, the Government of India had themselves to make an independent study of the facts and come to certain conclusions which are set out below.

3. The points made by the Nahan Foundry Mazdoor Panchayat fall broadly under the following heads :—

- (a) Certain complaints against the General Manager in regard to both the technical and administrative aspects of the Foundry's working ;
- b) Matters relating to increments, profit bonus, dearness allowance etc ; and
- (c) the desirability of separating the technical side of the foundry from the administrative side.

4. Government have carefully considered these three points in the light of the views expressed by the Members of the Enquiry Committee and the lines on which they propose to deal with them are indicated below:—

- (a) Government consider that the material which has been placed before them by the members of Enquiry Committee does not make out a *prima facie* case for proceeding against the General

Manager. The Foundry was facing a difficult situation on account of a fall in the off-take of cane crushers and the attempt to manufacture other articles was made in good faith. The mere fact that these experiments were not successful should not be held against the management because any enterprise of this kind has to be prepared to take certain risks when its established lines of production are threatened with serious competition. At the same time, Government are satisfied that the relationship between the General Manager and labour, as a whole, have not been particularly satisfactory and it would be an advantage for a new General Manager to be appointed. Accordingly they have decided to post a new General Manager to the Nahan Foundry Ltd. while the previous incumbent has been employed elsewhere.

(b) The issues relating to terms and conditions under which labour should work, are matters which need detailed discussions between the Management and labour. The fact that there are no established rules and conventions governing matters such as those referred to by the Panchayat is largely due to the peculiar history of the Foundry. Now that it is an enterprise owned by the Government of India, it is essential that suitable terms and conditions for the worker should be devised. In doing so, due regard will have to be shown to the legitimate claims of the labour no less than to the financial position of the enterprise. Government have decided in consultation with the spokesmen of the workers that there should be direct negotiations between a representative of the Foundry Management to be specially nominated for the purpose and one representative of Labour. To the extent that there are any unresolved points, the Chief Minister, Himachal State, has kindly consented to act as the Umpire.

(c) The separation of the technical and administrative side of the Foundry is not a question which can be considered as one of principle. The important thing is to ensure efficiency and economy. Government consider that this is a matter which might well be settled by the Board of Directors of the Foundry. In order that the Board of Directors may be in a position to deal quickly and finally with all outstanding points, it has been decided to appoint Shri Manubhai Shah, Minister for Industrial Development as the Chairman of the Board of Directors.

5. The Nahan Foundry has recently been facing a very difficult situation economically and in 1954-55 it actually made a loss. The situation at one time was so bad that serious thought had to be given to the question of moving the Foundry to a better location. Government's efforts have, therefore, been concentrated on putting it on an even keel financially. Government are happy to state that things have since improve dsomewhat and the sales have shown an upward trend during 1955-56. It is, therefore, proposed to continue the Foundry where it is and Government trust that the measures outlined above will lead to fullest cooperation between labour and management and raise the efficiency of the unit so that it can overcome the major handicap of its location.

6. In conclusion, the Government of India wish to place on record their appreciation of the trouble which the members of the Enquiry Committee have taken in enquiring into the various problems relating to the Nahan Foundry.

Sd/- (L.K. JHA,) *Joint Secretary.*

To

1. The General Manager,
Nahan Foundry (Private) Ltd.,
Nahan, Himachal Pradesh.
 2. The General Secretary,
Nahan Mazdoor Panchayat, Nahan, H.P.
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APPENDIX VIII

Analysis of the action taken by Government on the recommendations contained in 13th Report of the Estimates Committee (First Lok Sabha)

1. Total number of recommendations made	50
2. Recommendations accepted fully by the Government—	
No.	20
Percentage to total	40%
3. Recommendations accepted by the Government partly or with some modifications	
No.	4
Percentage to total	8%
4. Recommendations not accepted by the Government but replies in respect of which have been accepted by the Committee	
No.	18
Percentage to total	36%
5. Recommendations not accepted by Government and pursued by Committee (including those which are still under consideration by Government)	
No.	8
Percentage to total	16%
