

Losses in H.E.C., Ranchi

+

*560. SHRI P. RAJAGOPAL
NAIDU:

SHRI RAMAVATAR
SHASTRI:

Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that Heavy Engineering Corporation, Ranchi (a public sector undertaking) is facing acute financial crisis and the accumulated losses have now totalled nearly rupees 200 crores;

(b) if so, what are the main reasons for these heavy losses;

(c) what steps Union Government have asked the Corporation to take to overcome the losses; and

(d) if so, what action Union Government have taken to set the things right in the Corporation?

THE MINISTER OF STATE IN
THE MINISTRY OF INDUSTRY
(SHRI CHARANJIT CHANANA):

(a) Yes, Sir.

(b) The losses are due mainly to low production, particularly, during the last three years.

(c) The Company has been asked to improve production and cut down un-productive expenditure.

(d) The performance of the Company is being studied in depth and certain weaknesses have been identified. Measures to strengthen top management and improve technology for better functioning of the Company and timely execution of the orders, are in hand. Efforts are also being made to get more orders for the Company.

SHRI P. RAJAGOPAL NAIDU:
What is the percentage of utilisation of the factory and what are the reasons for low production?

SHRI CHARANJIT CHANANA:
The percentage of utilisation in the factory in fact would not be a meaningful figure, because the average would not convey anything. The company has three big wings and within each wing again, we have more than 20 shops. Therefore, the utilisation of capacity figures cannot be calculated that way.

SHRI P. RAJAGOPAL NAIDU:
What is the total loss? Has there been any unproductive expenditure and what are the remedial measures taken by the factory?

SHRI CHARANJIT CHANANA: I have informed the House that we are in fact studying the whole thing in depth and the whole management overhauling is being done. The hon. member has raised a very good question. In fact, we had turned the corner by 1975-76. When the losing company was passing through a gestation period, the losses had come down from Rs. 14.43 lakhs to Rs. 4.38 lakhs in 1974-75. In 1975-76 the company had started giving profits Rs. 2.14 lakhs. In 1976-77 the curve started going up Rs. 3.26 lakhs. In 1977-78 the losses were Rs. 30.26 lakhs. In 1978-79 it was Rs. 27.75 lakhs. In 1979-80 when we inherited the company, the losses had gone up to Rs. 37.77 lakhs. I wish we had an electronic device to cure this. It will take some time for curing this. When I say we are studying the whole problem, I mean we are trying to make a correct diagnosis so that we do not give any wrong treatment. This is a very badly damaged company and we are trying to cure it.

श्री रामावतार शास्त्री: अध्यक्ष जी, मंत्री महोदय ने अपने जवाब में बतलाया है कि घाटे का कारण उत्पादन का कम होना है। मैं यह जानना चाहता हूँ कि उत्पादन क्यों कम हो रहा है, इसके क्या कारण हैं?

मंत्री जी ने यह भी बतलाया है कि अन-प्रोडक्टिव (अनुत्पादक) खर्च भी हो रहे हैं जिनकी वजह से घाटा है। मैं जानना चाहता हूँ कि

उत्पादनक व्यय क्यों हो रहे हैं और वे क्या हैं? प्रनप्रोडक्टिव एक्सपेंडीचर क्या-क्या हुए और इन्हें करने की इजाजत क्यों दी गयी? जो आर्डर बढ़ाने के लिए प्राप उपाय कर रहे हैं, उसके बारे में हम यह जानना चाहेंगे कि यह किन-किन देशों के साथ किस-किस तरह की व्यवस्था कर रहे हैं और उनके परिणाम क्या निकले?

श्री चरणजीत चानना: आपने यह पूछा है कि उत्पादन में कमी होने के क्या कारण हैं? इसमें हमने स्टीडी करके देखा है in almost all areas of its operation. The following weaknesses were found: production, planning, corporate planning, development of marketing system, technological capabilities, poor after sale service, etc.

The hon. Member has asked the question as to what are the unproductive expenditures. I will draw his kind attention to my reply where I said that losses are mainly due to low production, particularly during the last three years. The Company has been asked to improve production and cut down unproductive expenditure. This is the general guideline that we have given. We are studying the whole thing in depth. We have given this general guideline till that time to the top management that they should not allow any unproductive expenditure at all. You cannot count as to what are the unproductive expenditures.

The third question of the hon. Member was whether we are getting orders. We are trying to get orders from wherever we are able to get. The hon. Member wanted to know the names of the countries from where orders have come. There is no reservation for any country at all. But I can tell the hon. Member that we got an order from the Soviet Union worth Rs. 6 crores for 1980-81 and for the next year worth Rs. 22.5 crores. But this is not the limit. We do forging, casting, etc. Any country

which wants us to get that type of work done, we will do that.

डा० राजन्र कुमारी बाबवेयी: क्या उद्योग मंत्री जी इस तरह की माइजलाइज बतायेंगे जिससे कि पब्लिक एम्प्लॉयमेंट में जो लीसेज होते हैं उनके लिए किसी पर रिस्पॉन्सिबिलिटी फिक्स की जा सके। यह बात बार-बार देखी जाती है और यह बात एक ही एम्प्लॉयमेंट में नहीं है, बहुत सी जगहों पर ऐसे लीसेज होते रहते हैं जिनके कारण सरकार की बदनामी भी होती है। क्या इसके लिए सरकार कोई कदम उठायेगी?

SHRI CHARANJIT CHANNANA: The hon. Member's suggestion is very valuable. I would like to inform the House that our Ministry is taking up each of the undertakings under the Ministry one by one and is trying to examine the performance of that. Besides that, the hon. Member must be knowing that Government has already set up a committee to go into the working of these undertakings.

SHRI NIREN GHOSH: This Heavy Engineering Corporation at Ranchi is supposed to be the biggest workshop of its kind not only in India but in Asia. It is a crime that its capacity is lying idle. Is it a fact that it had fabricated a steel mill of one million tonne capacity? If so, when the new steel mills are being set up, why is it that the HEC services are not utilised for that? That are complaints that the HEC is being constantly starved of orders. No technical managerial person is appointed for a long period. And systematically, there are losses in the process. Will you think of reversing the entire process immediately? Even the indigenous industries can give orders to HEC. Why are you killing this Corporation?

SHRI CHARANJIT CHANNANA: The hon. Member's statement about the break up including the steel plant is correct.

The second suggestion is that we should reverse the process of getting

orders and its operation. We are working on it. We are trying to see that there is improvement not only in getting orders but in the operational part of it. Both of them are co-related. We do both—getting more orders and fulfilling more orders.

News-Item captioned "Pak bid to revitalise Armoured Force"

+

*561. SHRI S. M. KRISHNA:
SHRI BHOGENDRA JHA:

Will the Minister of DEFENCE be pleased to state:

(a) whether his attention has been drawn to the news-item appearing in the Times of India, New Delhi, dated the 23rd June, 1980 captioned 'Pak bid to revitalise armoured force';

(b) whether Pakistan will have for the first time the capability of the 105 mm gun on its tanks;

(c) whether Pakistan is also acquiring from Iran M-47 and M-48 tanks from Iranian stocks; and

(d) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI C. P. N. SINGH): (a) Yes, Sir.

(b) For the first time some Pakistani tanks have been fitted with 105 mm calibre guns.

(c) No authentic information is available on this point.

(d) All developments around us, including military build up in our neighbourhood which has a bearing on our security, are constantly reviewed in order to update our defence preparedness.

SHRI S. M. KRISHNA: Sir, is the Government also aware that the Pakistani armed forces are acquiring greater sophistication, greater punch power and deeper penetrating capability? Is the Government also aware

that apart from China, and the United States of America, there are other countries like the United Kingdom and Sweden which are rushing in to arm Pakistan further? Is the Government also aware that France has sold Matra-550 magic missiles and they have also offered Pakistan the sale of super Matra-530 magic missiles, the infra-red air-to-air missiles? In view of the Pakistani arsenal basket, which is becoming bulkier and bulkier with the passing of each day, should not the Government consider that the peace and tranquility of this region is being seriously disturbed and it has reached almost menacing proportions? I would like to know from the hon. Minister what steps are being taken from our side to meet this most disturbing situation.

SHRI C. P. N. SINGH: Sir, the hon. Member's worry about Pakistan's preparedness is something that is coming out in the press for some time. But I would like to assure the hon. Member that as far as India is concerned, we are always constantly reviewing our defence preparedness and various equipment that needs to be changed. We keep doing it from time to time within our financial constraints.

SHRI S. M. KRISHNA: We are informed that before long Pakistan is going to acquire a nuclear bomb. This would certainly alter the balance of power equation in this region. I would like to know from the honourable Prime Minister, as we have the Foreign Minister of Pakistan now here in our country, in the meeting that the Prime Minister had with the Foreign Minister, has this been brought to the notice of the Foreign Minister that this has created conditions which are not in keeping with the Simla spirit?

THE PRIME MINISTER (SHRI-MATI INDIRA GANDHI): The nuclear bomb was not specifically men-