

RAJYA SABHA

Thursday, the 27th March, 1980/7
Chaitra, 1902 (.Saka).

The House met at eleven of the clock, Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

SHRI BHUPESH GUPTA; Sir, about a small procedural matter that concerns you. Sir, it is customary...

SOME HON. MEMBERS: This is Question Hour.

SHRI BHUPESH GUPTA: We should know from you as to which of the Members are crossing the floor. Are they writing to you? If they are writing to you, Sir, you should tell us because every day we see in the paper, and it seems that there is a special concentration on women on our side... (*Interruptions*). Every day I find one or the other woman being politically abducted from the Opposition side. Even today we have lost a lady from this side. I want to ask: Is it a settled law of the Constitution and the rules of procedure that the Opposition cannot have a women, Sir?

SHRI YOGENDRA MAKWANA: Why are men... (*Interruptions*).

MR. CHAIRMAN: I will not interrupt here. Question Hour is sacrosanct. You can talk to me later.

SHRI BHUPESH GUPTA; What can I talk when they take our people away, from this side to their side? Do they talk to you?

MR. CHAIRMAN: Question No. 221.

SHRI BHUPESH GUPTA: All right, Sir.

13 RS—1.

Indigenous stores lying in stocks of the Heavy Engineering Corporation Ltd.

•221. SHRI R. R. MORARKA: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that in the Heavy Machine Building Plant of the Heavy Engineering Corporation Ltd. indigenous stores valued to the extent of Rs. 5.80 crores were lying in stock, for more than three years, stores worth Rs. 6.11 crores for more than two years and stores worth Rs. 7.57 crores for more than a year;

(b) if so, what are the reasons for keeping in stock indigenous stores for more than three months' anticipated requirements; and

(c) what action Government have taken against those responsible for such large purchases?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI CHARANJIT CHANANA): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) As on 31-3-1979, the value of indigenous stores lying in stocks in the Heavy Machine Building Plant was as follows: —

Rs. Lakhs

(i) For more than 3 years 656.85

(ii) for more than 2 years 720.73

(iii) For more than 1 year 892.00

(b) Some of the important reasons for the stock lying in H.M.B.P. are as follows: —

(i) The inventory build-up was based on the targetted level of production but the actual production was substantially below that level-

(ii) HEC had to build-up sufficient stock of critical items like alloy steel, special steel, etc. whose supply from indigenous sources was uncertain.

(iii) HMBP is engaged in the manufacture of tailormade items whose manufacturing cycle is about 24 months or more.

(iv) HEC is a heavy engineering unit and the norm of three months stock is not practicable for such a unit.

(c) Does not arise.

SHRI R. R. MORARKA: sir, is it not a fact that because of this heavy accumulation of stocks and stores in the different departments of the HEC a huge loss running into several crores is incurred every year only by way of interest and, if that is so, may I know what steps are being taken to remedy the situation?

SHRI CHARANJIT CHANANA: Will you kindly repeat the question if you don't mind?

SHRI R. R. MORARKA: My question is this: Is it not a fact that there is a huge accumulation of stocks and stores in the different departments of the HEC and that because of this a huge amount running into crores of rupees is lost every year by way of interest alone?

SHRI CHARANJIT CHANANA: Mr. Chairman, Sir, in reply to the hon. Member's question, I would say that we have, in fact corrected the data that he had given in the question, and we have admitted; in fact, the hon. Minister had informed the hon. Member in reply to his question No. 143 the same thing. We have, in fact, corrected the data given by him. The inventory is high. That is No. 1. No. 2 is, it is not the inventory figures. . .

(Interruptions)

SHRI R. R. MORARKA: Sir, he is not following my question. What he has given in the statement is only about one department. The question is about the huge accumulation of stores and stocks in all the other departments also and that involves this Corporation into a heavy loss of crores of rupees by way of interests only every year.

SHRI CHARANJIT CHANANA: Sir, you would appreciate, and the hon. Member would also appreciate, that stores and stocks are grouped under one item known as inventory, and I am just talking about it... *(Interruptions)*. Will you kindly have patience to listen to me? The inventory of all the three units needs material management, and we have already advised them and they are working on the material management of it. That is No. 1. No. 2 is, the figures which are shown here in the reply they are also grouped figures. Whenever they are talking of inventory management, what we are trying to do is, what we are trying to develop is, we ask the organisation, the HEC, to develop an optimum inventory cycle and that depends upon the factors given in our reply to your question in part (b). These are the perimeters which differ from commodity to commodity and from item to item, which in the final product. The hon. Member who appears to be very well conversant with the accounting terminologies would appreciate that the HEC has been advised to work on the development of an optimum inventory cycle.

SHRI R. R. MORARKA: Sir, the question is very simple whether there is a huge accumulation of stocks and stores because of which the HEC is incurring a loss of crores of rupees and, if that is so, what they are going to do about it. Instead of answering that, he is going into accountancy and all that.

MR. CHAIRMAN: Accumulation of stores and stocks.

SHRI CHARANJIT CHANANA: About accumulation of stocks and stores, I have told him about the inventory management inventory cycle; I have said that a huge inventory is there. Number 2: Straighaway you cannot say that inventory is a loss. You can never say that inventory is a loss. *(Interruption)*. Kindly listen to me. To interpret the inventory, you have to see the co-relation between the inventory and the final pro-

duct. It is only if you take the break-up of the inventory. And if the hon. Member wants the break-up which would run into pages and pages, well. I need notice for that and I can get him that also.

SHRI R. R. MORARKA: Sir, from the statement it appears that this inventory has been built up because of low level of production. Sir, the report of the Bureau of Public Enterprises has also said that the Government at one time thought of appointing a Working Group to suggest or to identify other public sector Corporation who can place orders with them on a negotiated basis without inviting tender so that production in the HEC may go up. May I know from the hon. Minister as to what happened to that Working Group, what recommendations it has made and have they been accepted by the Government or not?

SHRI R. VENKATARAMAN: Sir, the hon. Member is right because he had been the Chairman of the Public Accounts Committee and he knows the figures about the HEC. The large inventory is due to low utilisation of the capacity. And the low utilisation of the capacity is brought about by the orders booked not being filled up. Sir, an attempt is being made by the various public sector units to prefer orders with the HEC, the HMLEC and the foundry forge unit. We are making every effort to see that the order book is filled up. On the last occasion also I mentioned that we are also trying to get orders from the Soviet Union for the HEC's three branches. If this comes, then not only the present stores will be used up but we will require a lot more also, and the financial position which has been pointed out by the hon. Member will improve.

श्री इराम लाल यादव: माननीय मंत्री जी ने इस प्रश्न के (ख) भाग में जो उत्तर दिया है उसमें कहा है कि निवेश बाँच उत्पादन के लक्षित स्तर पर आधारित था किन्तु वास्तविक उत्पादन उस स्तर

से काफी नीचे था। मैं यह जानना चाहता हूँ कि वह स्तर क्या था और कितना उत्पादन था। दूसरी बात मैं यह कहना चाहता हूँ कि जब पब्लिक सेक्टर इन्डस्ट्रिय के उत्पादन की खरीद सरकार करने जाती है तो प्राइवेट सेक्टर के लोग भी कम्पिटिशन करने लगते हैं। पिछली जनता सरकार ने पहले बाली नीति को बदल दिया जिस में पब्लिक सेक्टर इन्डस्ट्रिय के उत्पादन को प्राइस में और परचेज में प्रिफरेंस दिया जाता था। इसलिये क्या सरकार उस नीति को पुनः बंधन करने पर विचार करेगी, जिससे कि पब्लिक सेक्टर इन्डस्ट्रिय में उत्पादित वस्तुओं को सरकार की सप्लाय में प्राइवेट सेक्टर की सप्लाय के मुकाबले प्रिफरेंस मिल सके, जिससे कि यह उत्पादन उनके मुकाबले में कामयाब हो सके?

श्री चरणजीत चानना: माननीय सदस्य ने आँकड़े माँगे हैं। मैं उन आँकड़ों को दे सकता हूँ। कुल उत्पादन के और असली उत्पादन के आँकड़े मेरे पास हैं। ये आँकड़े करोड़ में हैं। सन् 1977-78 में यह प्रोडक्शन 70.00 करोड़ था, लेकिन एक्चुअल प्रोडक्शन 31.80 करोड़ का हुआ। सन् 1978-79 में यह 83 करोड़ था, लेकिन उसके अग्रेस्ट में 56.65 करोड़ का हुआ। सन् 1979-80 में यह 71.60 करोड़ था, लेकिन उत्पादन 38.40 करोड़ का हुआ। दूसरी बात जो उन्होंने पूछी है और जो प्रिफरेंस वाली बात है उसको भी हम दुबारा कन्सीडर कर रहे हैं। लास्ट गवर्नमेंट ने उसको बिदडा कर दिया था।

DR, BHAI MAHAVIR: Sir, the HEC seems to be suffering from a chronic problem of under-utilisation of capacity because of low order position. If that is so, would the hon. Minister kindly say whether the calculations we made when we set it up for the purpose of helping the industrialisation of our own country have

since gone wrong? And, Sir, if we have un-utilised capacity in this, why is it that we are buying turnkey projects from Russia and from Germany for Visakhapatnam and Paradeep? Why do we not utilise the excess or available capacity of the HEC to set up these plants? Is it that we shall continue to be dependent upon outside sources for the latest technological improvements or shall we ever visualise some stage when we are able to meet our own requirements from the capacities that we have got?

SHRI R. VENKATARAMAN : Sir, the effort to improve the order position of the HEC, I have already explained. It is only a proposal. No decision has been taken. The proposal now to have a shore-based steel plant on a turnkey basis from other sources, outside India, is under consideration for this reason that it is going to be entirely financed completely by them and that will be a net addition to the national wealth in addition to what we are having within the country. Therefore, we are considering it. As I said, we have not taken a decision. One of the considerations before us is that it will be a net addition to the steel production capacity in the country. They have agreed to give it in a period of 15 to 18 months. These are the factors which are now being looked into.

DR. BHAI MAHAVIR: Sir, if you have not been confused as much as I have been confused, then I would accept by incompetence. But, Sir, the hon. Minister's reply is anything but satisfactory or relevant to the question. If we are expecting it to add to our total national productive capacity, add to our national wealth, it will be an addition to our national income. Nobody denies or disputes that. The question here is this: Something which was considered to be a plant, which would help us in setting up steel plants, one plant every year, if I am not wrong is there but now we have need for new steel plants and we do not utilise the capacity that we were told would meet our new

requirements and is lying idle and we are going to Russia and Germany for getting our requirements. It is hard to swallow this. How the hon. Minister is trying to feel up on this, is not understandable.

SHRI R. VENKATARAMAN: Sir, I have very clearly explained what the hon. Member has asked. He has said that he was confused. He did not appear to be confused at all. He very clearly asked what I have explained. The point I make is that if there is somebody who is offering a steel plant within 15 months and we are short of steel and other vital necessities, the Government have every option to consider whether it should be accepted or not. I have said that this is a proposal and we are considering it. We are also considering the utilisation of the capacity established in the HEC and the HEC capacity, is being utilised in various ways. We are now asking other public sector units to place all the orders here. We are going to give preference to public sector. We are considering the price preference again. These are all the factors which will apply to HEC.

SHRIMATI HAMIDA HABIBULLAH: Sir, I beg to ask the hon. Minister a very relevant question that the hon. Member Dr. Bhai Mahavir asked. When we have so much stocks lying in our own public sector units, why are we getting it from outside? I would ask one specific question and that is this: Is not true that the previous Government gave orders to an organisation called the MECON a multinational, instead of giving these orders to own HEC? The MECON was in the picture last time. Were the orders given to the MECON? I would like to ask the hon. Minister.

SHRI R. VENKATARAMAN: Sir, the MECON is a Government organisation and, secondly, we are not importing anything which we have. The hon. Member has not clearly understood the answer which I have given. These relate not to finished

products. It relates to various inventories, semi-finished raw materials, and so on, and the question was why do you have so much of raw materials, semi-finished items and all those inventories if it is adding to your interest costs? Therefore, there is no attempt or no proposal before the Government to import anything which we have here.

SHRI R. R. MORARKA: Sir, I would like to ask one question.

MR. CHAIRMAN: You have already asked two.

SHRI R. R. MORARKA: I can ask again. If there are more people to ask questions, I would not ask but since there is no other hon. Member to ask a question, let me ask one question. Sir, the hon. Minister said that they are negotiating with foreign firms of Germany and Russia for putting up a steel plant here because of financial reasons. May I know whether in these negotiations the hon. Minister has suggested or is going to suggest for the utilisation of our installed capacity here in India?

SHRI R. VENKATARAMAN: I shall repeat what I said earlier that we will endeavour to utilise our capacity in our country and we will also examine the proposals for a turn-key project if that can give us additional quantity of steel immediately or within a very short period.

Production of weapons grade uranium by [Pakistan]

*222. SHRI R. NARASIMHA REDDY:

SHRI RAMANAND YADAV:!
SHRIMATI AMARJIT KAUR:

Will the Minister of DEFENCE be pleased to state:

(a) whether Government are aware that Pakistan has reached the stage to produce weapons grade uranium;

(b) whether Government consider it of serious concern to India's security; and

†The question was actually asked on the floor of the House by Shri Ramanand Yadav.

(c) if so, whether Government propose to produce weapons grade uranium for the defence of the country?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND DEPARTMENTS UNDER THE CHARGE OF PRIME MINISTER (SHRI C. P. N. SINGH): (a) and (b). Available information indicates that Pakistan is continuing its efforts to produce weapons grade uranium. Government are conscious of the implication of Pakistan acquiring nuclear weapons capability.

(c) Government's stand on this question is wellknown and has been recently reiterated on the floor of this House. Government remain committed to the policy of utilising atomic energy for peaceful purposes.

श्री रामानन्द यादव : सभापति महोदय, आज भारतवर्ष चारों तरफ से आणविक शस्त्रों से लैस देशों से घिर गया है। चीन न्यूक्लियर वेपंस से अपने को लैस कर चुका है। पाकिस्तान को यह सहायता कर रहा है। यूरोपीयन देश भी न्यूक्लियर वेपंस बनाने में पाकिस्तान को सहायता कर रहे हैं। न्यूक्लियर एनर्जी को डबलप करने के लिये नैयरिण्क्टर अमरीका फ्रांस के माध्यम से पाकिस्तान को दे रहा है। अरब देश पाकिस्तान को पैसे के माध्यम से मदद कर रहे हैं। अमरीका का हवाई बेडा जो न्यूक्लियर हैड से लैस है डियागो गार्शिया में पडा हुआ है। उसके आणविक सब मरीन हिन्द महासागर में गश्त लगा रहे हैं और लेसर किरणों से लैस अमरीका ने पाकिस्तान में अफगानिस्तान के विद्रोहियों को रूस के खिलाफ ट्रेनिंग देने के लिये अड्डा जम लिया है। ऐसी हालत में जब भारतवर्ष की सुरक्षा खतरे में है तो क्या सरकार यह नहीं सोचती है कि वेपन ग्रेड यूरेनियम का निर्माण भारतवर्ष में जल्दी से जल्दी शुरू