

ie got a programme, ministerial, manage-ial and production, so that by the end of the century, we will reach a target of 50 million tonnes? Unless we do that, we will be far, far behind the other countries who will go far ahead in these 25 years.

SHRI T. A. PAI : Sir, I agree that even after going ahead with our steel programme, as against an installed capacity of about 8.9 million tonnes, we are producing only 6.5 million tonnes. Last year's production was 6.5 million tonnes, of which at least 20 per cent was accounted for by the so-called mini-steel plants. In Italy, 40 per cent of the steel production is ensured by the smaller plants. And I am aware of the great strides that the other countries have made. Personally I would like to see that this country produces 100 million tonnes by 1980 or by the end of this century and not 69 million tonnes as the hon. Member says because the needs of the country will increase and the entire development of the country depends upon this. Therefore, we must have not only an ambitious programme but perhaps the strongest will also to implement it.

SHRI A. P. JAIN : Sir, I have great admiration for the Minister because he walks on earth but does not float in the air like some of his colleagues. Some of the things which he stated in the House are realistic. Now, he has stated that the cost of the product is high, the investment per tonne is high, and it takes 8 years to complete a plant here whereas in Japan it takes two years. And he has also expressed his desire to improve. Now, all this tantamounts to a revision of the steel policy. May I ask the hon. Minister whether he is going to make a comprehensive review of the steel policy and take this House into confidence?

SHRI T. A. PAI : Sir, I have already undertaken a study. I shall certainly keep the House informed of the decision that we take from time to time.

**Mining and Allied Machinery Corporation,  
Durgapur.**

\*623. SHRI KALYAN ROY : Will the Minister of HEAVY INDUSTRY be pleased to state :

(a) whether Government's attention has been drawn to the news item published in

the Amrita Bazar Patrika on the 21st April, 1973 under the heading "Top Men Feud, Government pays";

(b) if so, Government's reaction thereto;

(c) whether a private audit firm has been engaged by the Mining and Allied Machinery Corporation at Durgapur for its audit; if so, the name of the firm, the fee paid and the reasons for such appointment; and

(d) whether the Audit firm has submitted any report; and if so, the details thereof?

THE MINISTER OF HEAVY INDUSTRY (SHRI T. A. PAI) : (a) Yes Sir. The press report was to the effect that a firm of auditors had been appointed by Government to resolve the difference of opinion between the Financial Adviser and the Managing Director over the annual accounts of MAMC for the year 1971-72.

(b) The newspaper report is not correct.

(c) In order to introduce proper accounting procedures, a proper system of job costing, etc. the Board of MAMC on 23rd February, 1973 approved the appointment of Messrs P. K. Mitra & Co., Chartered Accountants, for this purpose. The appointment was for a period of six months on a remuneration of Rs. 3,000 per month plus certain incidental charges.

(d) The firm has submitted interim reports relating to introduction of a job costing system in the undertaking. The final report is expected to be submitted by the firm shortly.

SHRI KALYAN ROY : Sir, the mining Machinery industry is in a mess but the mess is not as deep as in the past. The loss is about Rs. 4 crores. Sir, why is it that instead of this being audited by one of the senior officers of the Indian Audit and Accounts Service, the Managing Director went out of the way and appointed a friend of his, a private party, to audit such a huge, big and losing public sector unit?

SHRI T. A. PAI : Sir, the information of my hon. friend that the Financial Member of this Organization is an I. A. & A. S.

officer is not correct. From what I gathered, he comes from the Management Pool. And because there is no difference of opinion between him and the Managing Director so far as the published figures are concerned, we have to get outside experts to look into the affairs of this because there were inaccuracies regarding the way that the production figures were shown and there was not a correct type of evaluation for works in progress, etc. When I called the Managing Director for a personal discussion when this concern was manufacturing only upto 35 per cent of its installed capacity, I found that they were charging their customers, who were mostly the other public sector units, the over-heads based on their entire total costs. So, I wanted myself at one stage to see that the costing is properly introduced in all these public sector units, not because they have unutilised capacity but because they should be done on commercial principles. And many suggestions have now been carried out. As regards the loss pointed out by the hon. Member, I should say that from last year's account itself it should break even, and this year we should show some profit because we manufactured 15,553 tonnes. And this year the programme is to come up to 20,800 tons utilising up to 50 to 55 per cent of the capacity.

SHRI KALYAN ROY : Although it was derided that the target would be 18,000 tons, it has hardly reached 11000 or 12000 tons. In spite of that the overtime paid was Rs. 3 crores and 5 lakhs in 1970. And it has gone up to over Rs. 10 crores last year. What is the necessity for paying overtime when definite allegations have been made by the INTUC and AITUC that this Managing Director in collusion with certain sections of Congress men is recruiting a large number of people during the last nine months?

MR. CHAIRMAN : Kindly be relevant.

SHRI BHUPESH GUPTA : It is very relevant.

SHRI KALYAN ROY : I am pointing out the irregularities. About 300 men have been recruited when the factory was closed during the Puja Festival without

any procedure at all. How do you reconcile this? On the one hand they are losing Rs. 4 crores; irregularities have been noticed; outsiders are checking up; and then on the other hand, overtime has gone up to Rs. 10 crores, and hundreds of people are recruited not because of their performance or efficiency but because of some other purpose.

SHRI T. A. PAI: My honourable friend has made some statement. While I would not like to say that I accept it *in toto* without verifying it, I shall certainly verify it and let him know what exactly the number is. But so far as recruitment is concerned, in the past MMT had to diversify its production programme because essentially it was brought into existence for making mining machinery and for a long time it has suffered from want of orders. Now I hope it will turn the corner and it will be...

SHRI KALYAN ROY : Sir, is it relevant? I asked how many have been recruited during the last one year and whether high overtime was paid.

SHRI T. A. PAI : Under this production programme when the target has been increased and when it has been asked to perform in a better way and if the management has come to the conclusion, I do not find fault with them for recruiting extra hands. But the point has been made out that extra hands have been recruited without any work. I shall certainly look into it.

SHRI KALYAN ROY : What about their not following any procedure?

(No reply)

MR. CHAIRMAN : Mr. Bhupesh Gupta.

SHRI BHUPESH GUPTA : Sir, with regard to the first part of the question it is very relevant the honourable Minister said it is not true. Has there been any proper investigation into the allegations made in the report of the paper, Amrit Bazaar Patrika, which is really owned by one of the Ministers of West Bengal? Has there been any proper investigation? Have they got any figure as to how many people have been recruited during the last 17 months after the formation of the present State Government

i West Bengal? These are the facts to be stated.

SHRI T. A. PAI : The report is not denied as it appeared in the paper. But the company has itself issued a statement denying it.

SHRI BHUPESH GUPTA : On a point of order. I know the company has done it. But the question is about the reaction if the Government.

MR. CHAIRMAN : But the Minister has not completed his answer.

SHRI BHUPESH GUPTA : He will complete it better if he hears me, because he is short.

SHRI T. A. PAI : If there have been any differences of opinion regarding the procedures adopted between the MP and the Managing Director, I do not think that need be made much of. But if an independent authority has looked into it and certified a statement, I am inclined to accept it. So far as the particular statement of my honourable friend is concerned, about the recruitment that has been going on without accepting the procedures, I assure the House that I will look into it and inform the House what exactly the truth is.

SHRI BHUPESH GUPTA : Investigate this report also.

•624. [The questioner (Shri M. K. Mohla) was absent. For answer, vide cols 30 infra.]

#### **Coal Requirement of Steel Plants**

•625. SHRI SHYAMLAL GUPTA : Will the Minister of STEEL AND MINES be pleased to state :

(a) the total estimated requirement of coal for the Bhilai, Durgapur, Rourkela, Bokaro and TISCO steel plants during the current financial year, (Plant-wise), and the extent to which these requirements have been met till the end of June, 1973; and

(b) whether there is any likelihood of short supply of coal to these plants during the remaining period and if so, the

reasons therefore and the steps proposed to be taken by Government in this regard?

THE MINISTER OF STEEL AND MINES (SHRI T. A. PAI) : (a) The approximate requirements including building of stocks, of coal as charged to the ovens of the following steel plants during the current financial year are :

(b) As per present planning, the anticipated

|          | Million tonnes |
|----------|----------------|
| Bhilai   | 3.780          |
| Rourkela | 2.184          |
| Durgapur | 1.644          |
| Bokaro   | 2.010          |
| TISCO    | 2.160          |

Coal received from April to June, 1973 by individual plants is as under :

|          | Million tonnes |
|----------|----------------|
| Bhilai   | 0.766          |
| Rourkela | 0.479          |
| Durgapur | 0.321          |
| Bokaro   | 0.151          |
| TISCO    | 0.454          |

production is expected to match with the projected requirements.

MR. CHAIRMAN : The Question Hour is over.

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#### **WRITTEN ANSWERS TO QUESTIONS**

##### **Purchase of Fertilisers from USA and West Germany.**

•624. SHRI M. K. MOHTA: Will the Minister of SUPPLY be pleased to state :

(a) whether the Government propose to buy fertilisers from U. S. A. and West Germany; and

(b) if so, the details, thereof?

THE MINISTER OF SUPPLY (SHRI SHAH NAWAZ KHAN) : (a) Yes Sir.

(b) A fertiliser delegation left India on 6-8-1973 to discuss and negotiate with the suppliers in USA, Europe, Canada, Kuwait. The results of the negotiations will be known only after the return of this delegation.