

(I) what is percentage of: purchases made from the organised Industrial Sector under D.G.T.D. and the small scale sector out of the total purchases mentioned above; and (c) whether (the Government are aware that the Small Scale Sector is getting a raw deal and not getting sufficient incentives as promised by the Govt. in price preference?

THE MINISTER OF SUPPLY (SHRI R. K. KHADILKAR): (a) and (b) A statement is laid on the Table of the House. (See below).

(c) The list of stores reserved for purchase exclusively from the small scale sector is kept under constant review. Twenty more items were added to this list in August, 1970, to bring the total to 166 items. Certain other facilities are also given to the small scale units in regard to registration, waiver of security deposit and testing of samples. In respect of stores where offers are received both from the small and large scale units, small scale units are eligible for a price preference upto 15%. Generally speaking, the small scale sector units have competed effectively; against the larger units in a number of cases. In terms of money, price preference over the large scale units has been accorded to the small units, to the extent of Rs. 1.71 lacs during the first six months of this year, as against Rs. 36,349.00 in the preceding year and Rs. 18,218.00 in the year before.

STATEMENT

(a)

Year	Value of orders placed by DGS&D (in crores of rupees)		
	Indigenous	Imported	Total
1967-68	351.56	114.62	466.18
1968-69	405.66	39.57	445.23
1969-70	430.79	36.15	466.94
1970-71 (up to June 70)	56.13	4.08	60.21

(b)

	Percentage of total indigenous purchases	
	Cottage & Small Scale Units	Large Scale Industrial Units
1967-68	7.4%	92.6%
1968-69	7.3%	92.7%
1969-70	7.5%	92.5%
1970-71 (up to June 70)	9.8%	90.2%

AUDIT REPORT ON THE N.B.C.C.

#329. DR. B. N. ANTANI:

SHRI K. C. PANDA:

Will the Minister of HEALTH AND FAMILY PLANNING AND WORKS, HOUSING AND URBAN DEVELOPMENT be pleased to state:

(a) what is Government's reaction to the adverse comments against the National Buildings Construction Corporation in the latest audit report on the working of the Corporation;

(b) whether it is a fact that the execution of the works by the Corporation has not been economical and did not result in reduction of construction cost;

(c) whether it is a fact that works were not completed by the Corporation within the target date and there have been cases of delays upto 37 months; and if so, the reasons therefor;

(d) what is the total investment of the Corporation and what has been the return on the investment year by year, from its inception in 1960 up-to-date;

(e) how far the Corporation has fulfilled its objective of executing efficiently and economically the civil works of the Central and State Governments; and

(f) if the answer to part (e) above be in the negative whether Government propose to wind up the Corporation?

THE MINISTER OF HEALTH AND FAMILY PLANNING AND WORKS, HOUSING AND URBAN DEVELOPMENT (SHRI K. K. SHAH): (a) to (f) A statement in reply is laid on the Table of the Sabha.

STATEMENT

Audit Report on the working of the National Buildings Construction Corporation Limit ret.

(a) The Audit Report has been prepared in consultation and after due discussions with the Management of the Corporation and the Department. The Government have been and are alive to the problems and deficiencies in the functioning of the Corporation and will make every effort to ensure that the observations of Audit are duly followed up and the working of the company is improved.

(b) The Audit has observed that "the execution of the works by the company has not been, by and large, economical and did not result in reduction of construction costs in the ultimate analysis". The Government, however, feel that the rates quoted by the Corporation for works undertaken by it compare favourably with those quoted by some of the well established firms in the private sector. It is also observed that the Corporation has been able to effect savings in the construction costs in some of the

works, particularly in out of the way places where other contractors have either been unwilling to work or have been quoting exorbitantly high rates. Obviously, in view of these (acts certain public bodies, like the New Delhi Municipal Committee, Municipal Corporation of Delhi and the Fertilizer Corporation of India, have been entrusting then works repeatedly to the Corporation on 'cost plus' basis, with and without ceilings. It cannot, therefore, be stated that the Corporation has not been able to effect savings in the construction costs and that its works have not been economical.

(c) Yes, sir, there are instances of delay. In most cases, however, the delays have been due to reasons beyond the control of the Corporation, such as delay in handing over the sites by the clients, delay in supplying detailed drawings and designs and materials and also some times due to labour troubles.

(d) The total investment in the share capital of the Corporation is Rs. 2 crores. The year-wise break-up of this figure is as follows—

(in lakhs of rupees)

1960-61	..	..	3.00
1961-62	..	..	31.00
1962-63	..	..	38.00
1963-64	..	..	22.50
1964-65	..	..	22.50
1965-66	..	..	18.00
1966-67	..	..	..
1967-68	..	..	..
1968-69	..	..	10.00
1969-70	..	..	7.50
1970-71 (upto Nov. 70)	..	..	47.50
TOTAL			200.00

The Corporation has been running at a loss since its inception. The losses incurred by the Corporation year wise are as follows:

(in lakhs of rupees)

1960-61	..	..	0.67
1961-62	..	..	1.25
1962-63	..	..	31.71
1963-64	..	..	43.72
1964-65	..	..	23.72
1965-66	..	..	20.51
1966-67	..	..	17.18
1967-68	..	..	4.52
1968-69	..	..	24.66
1969-70	..	..	11.58
TOTAL			179.52

During the years 1968-69 and 1969-70, the Corporation also incurred a loss of Rs. 7.95 lakhs and Rs. 8.31 lakhs respectively on its Mechanised Brick Plant.

L/B(N)17RSS—3

(e) Even though works of special and difficult nature have been undertaken by the Corporation, the works executed by it and inspected by technical experts have been

found to be of good quality, both in respect of material and workmanship. It is expected that with the streamlining of the working of the Corporation, works in future will be executed by the Corporation still more economically. The Corporation, however, has in the past not been able to secure substantial contracts in compact units from the State and Central Governments and Government undertakings.

(f) The working of the Corporation has been under constant review. It has, however, been felt that the company has a useful purpose to serve and can be made to improve its working. With this end in view, certain decisions on the basis of the recommendations of the various committees and as a result of reviews done in the Department have been taken. The remedial measures proposed and being implemented at present are:—

(1) Shedding of surplus staff.

(2) Dispensing with the C.P.W.D. hierarchical pattern of staffing and adoption of supervision at not more than two levels.

(3) Control over materials, issue of stores and utilisation. In this connection, the advice of experts in the line is being available.

(4) Reduction in labour costs by rationalising the utilisation of their services.

(5) Better programming and planning of works to ensure timely execution.

(6) Keeping in close touch with other Government Corporations for the purpose of securing work orders.

The Corporation has been able to secure works in the extent of Rs. 550 lakhs during the period from April to October 1970 and they are expecting to secure works to the tune of additional Rs. 2 crores by December, 1970. They have at present a total workload of over Rs. 8 crores. With the increased turnover and attempts at streamlining the working of the Corporation, the question of winding the Corporation is not at present being considered.

SEIZURE OF JORDANIAN EMBASSY IN NEW DELHI BY ARAB STUDENTS

*330. SHRI LOKANATH MISRA: SHRI K. C. PANDA: SHRI SUNDAR MANI PATEL:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Arab students in New Delhi seized the Jordanian Embassy recently;