

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI FAKHRUDDIN ALI AHMED): (a) and (b) A statement is laid on the Table of the House.

STATEMENT

The Mining and Allied Machinery Corporation was set up at Durgapur for the manufacture and supply of mining machinery and allied products. The manufacturing capacity of the plant was initially based on the coal production targets originally fixed for the Third and Fourth Five Year Plans. With the substantial scaling down of the coal targets, this plant has had to face considerable difficulty and had necessarily to go in for the manufacture of various other items of machinery and equipment. Consequent to the undertaking of various miscellaneous orders, together with various other production problems and bottlenecks, the production build-up in this plant has been less than what was anticipated at the time when the project was initially taken up. Despite the fairly diversified manufacturing programme undertaken in this plant, including the manufacture of mechanical handling and conveying equipment for ports, the plant has adequate orders only up to 1970-71. The extent of further diversification that could be undertaken in the plant is under examination at present and will take into account not only the requirements of mining equipment, etc. during the Fourth Plan period, but also other types of machinery as may be required and as could be manufactured in this plant. The extent which the capacity of this plant would be able to be fully utilised would be determined only after the Fourth Plan is finalised.

2. It is not unusual for the production build-up in respect of plants manufacturing sophisticated equipment such as the MAMC to be relatively slow. In this case, this has been primarily due to the need for taking up the production of various machinery items other than coal mining equipment, besides various other difficulties with which this project has been faced. Production is, however, increasing

gradually and it is expected that the plant would achieve the break-even point on the basis of annual production by 1971-72.

ALUMINIUM PROJECT WITH SOVIET COLLABORATION

*460. CHAUDHARY A. MOHAMMAD: Will the Minister of STEEL, MINES AND METALS be pleased to state:

(a) whether it is a fact that an agreement has recently been signed with the Government of the Soviet Union for setting up an Aluminium Project in Madhya Pradesh; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI P. C. SETHI): (a) An agreement was signed on 12-11-68 between Bharat Aluminium Company Ltd. (a Central Government Company) and the Soviet Agency, M/s. Tjashpromexport, for the preparation of a portion of the Detailed Project Report for the Smelter and Fabrication facilities as part of the integrated Aluminium Project at Korba (Madhya Pradesh).

(b) Brief details of the Agreement are:—

(i) The Soviet Agency will prepare only a portion of the Detailed Project Report relating to the main production units of the project, namely the Smelter and Fabrication facilities. The Project Report in regard to all ancillary and subsidiary facilities as also the Project as a whole will be prepared by an Indian agency;

(ii) The Soviet agency M/s. Tjashpromexport have also agreed to associate Indian experts in the designing work which they will be carrying out in the design organisations in the Soviet Union;

(iii) The Soviet portion of the Detailed Project Report will be submitted to Indian Party in 11 months from the date of signing of the Agreement;

(iv) Along with the preparation of the Detailed Project Report, the Soviet Union has agreed to transfer know how and utilisation rights of

patents and licences that belong to the Soviet Union and which are required for the Project; and

(v) A fee of one million Roubles, equal to about Rs. 83.3 lakhs will be paid to M/s. Tjzhpromexport.

CLEARING OF ACCUMULATED STOCKS OF YARN IN THE MILLS

*461. SHRI SAND A NARAYAN-APPA: Will the Minister of COMMERCE be pleased to state:

(a) whether any scheme has been formulated to clear off the accumulated stocks of yarn with the spinning mills in the country; and

(b) if so, the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI MOHD. SHAFI QURESHI) : (a) and (b) No, Sir. However, a Retention Scheme of cotton yarn with the mills in the South India has been sanctioned. A statement containing the main features of the Scheme is placed on the Table of the House.

STATEMENT

(1) The scheme will be operated jointly by the Southern India Millowners' Association and the Tamil Nad Millowners' Association.

(2) The period of the operation of the scheme will be one year from the date of the first advance of loan by the State Bank of India.

(3) The Government of India will guarantee the State Bank of India the margin money viz. up to 20 per cent of the value of the stocks taken over by the two Associations from the Member Mills on payment of 90 per cent of the value of the stocks as determined by the State Bank of India and outstanding at any particular time.

(4) The State Bank of India will, on the basis of the Government guarantee, advance to the Southern India Millowners' Association and Tamil Nad Millowners' Association up to 90 per cent of the market value of the yarn as determined by the Bank. The scheme will be restricted to yarn, the aggregate value of which at any time is below Rs. 5 crores. The guarantee of the Central Government will be correspondingly limited. The scheme will apply,

to yarn held by the mills over and above the stocks already covered by the existing limits laid down by the mills' bankers.

(5) The interest on the advances made by the Bank will be at the normal commercial rate.

(6) The individual participating mills will transfer the ownership of the stocks of yarn free from all encumbrances to the Association.

(7) The stocks of yarn, on which advances are given by the Bank under the scheme, will be placed in the custody of, and pledged to the State Bank.

(8) The Southern India Millowners' Association and the Tamil Nad Millowners' Association as well as the individual participating mills will indemnify the Central Government against all losses, if any, which the Government of India may have to bear on account of the guarantee given to the Bank, and without taking account of any losses which may be shared by the Madras Government (*vide* item 10 below).

(9) The individual participating mills will give an undertaking in the prescribed form to create, within a period of 3 months from the date the Government of India's guarantee come into effect, a charge, either first or second, as the case may be, on their fixed assets in favour of the State Bank of India. If within this period such a charge is not created, the Bank would be free to sell the stocks of yarn in its custody.

(10) The Government of Madras will bear 50 per cent of the ultimate loss, if any, that the Central Government may have to bear on account of the guarantee given by the Government of India to the State Bank of India.

(11) Representatives of the Government of India, State Government and the State Bank of India will be members of the Committee of the two Associations, which will operate the scheme.

(12) With a view to reducing the overall risk of the Government, the Bank will impose quality restrictions on the yarn taken into the retention stock to ensure the sales-ability of the