

THE MINISTER OF RAILWAYS (SHRI C. M. POONACHA) : (a) No.

(b) Does not arise.

REPLACEMENT OF RAILWAY OFFICERS AT THE JAMALPUR WORKSHOPS

34. SHRI T. V. ANANDAN : Will the Minister of RAILWAYS be pleased to state whether it is a fact that some officers of the Eastern Railway attached to the Jamalpur Workshops have been replaced after a one-day token strike ?

THE MINISTER OF RAILWAYS (SHRI C. M. POONACHA) : No, Sir.

LOSS INCURRED BY BHILAI STEEL PLANT

35. SHRI M. K. MOHTA : Will the Minister of STEEL, MINES AND METALS be pleased to state :

(a) whether it is a fact that the Bhilai Steel Plant is estimated to have incurred a loss of Rs. 8 crores during 1967-68 ;

(b) if so, the factors responsible for such a huge loss; and

(c) the steps taken by Government to prevent such losses in future ?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI CHOWDHARY RAM SEWAK) : (a) During 1967-68 the Bhilai Steel Plant incurred a loss of Rs. 9.12 crores including Rs. 0.96 crores on account of adjustments for the previous years. The net loss incurred by the plant during the year, therefore, was Rs. 8.16 crores.

(b) Broadly, the reasons for the loss were

(i) Production and sale of pig iron and saleable steel were far below the capacity due to recession in the market. Resultantly the capital related charges *e.g.* depreciation and interest could not be absorbed fully. On the other hand with the commissioning of new units of 2.5 million expansion project, there was an increase in charges on account of interest and depreciation.

(ii) There was increase in wage bill on account of increase in staff due to expansion of capacity, and implementation of Wage Board Awards.

(iii) Because of recession Bhilai had to undertake exports on a large scale. The export subsidy did not cover the difference between the JPC prices and export prices.

(iv) Increase in the prices of raw material and railway freight was another factor which contributed to losses.

(c) The losses sustained by the Plant last year were primarily due to inadequate absorption of fixed charges because of the large gap between capacity and demand. The improvement in Bhilai's financial performance with, therefore, largely depend upon improvement in demand for its products. However HSL are taking steps to the extent possible to improve the working of the Plant in respect of usage of raw materials, improving the yields, and, increasing the exports etc. With these steps and with better market conditions, it is hoped that the plant will show better financial results next year.

REDUCTION IN THE STRENGTH OF RUSSIAN EXPERTS AT BOKARO STEEL PLANT

36. SHRI M. K. MOHTA : Will the Minister of STEEL, MINES AND METALS be pleased to state :

(a) whether Government propose to reduce the strength of Russian experts employed at the Bokaro Steel Plant;

(b) if so, the number of Russian experts employed at the plant at present; and the reduction proposed in their number;

(c) whether Government took up the matter with the Soviet Government and whether the Soviet Government have agreed to the proposed reduction; and

(d) whether the vacancies arising out of the proposed reduction is proposed to be filled up by Indian experts or experts from some other countries ?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI CHOWDHARY RAM SEWAK) : (a) to (d) A maximum number of 572 Soviet Specialists are expected to be deputed to Bokaro during the construction of the first stage of the steel plant. The number indicated is the ceiling and the actual number in position is to be determined