

sion. They accompanied the Divisional Superintendent in that inspection and they have also submitted a complete report of their inspection also.

#### **KHETRI COPPER PROJECT**

•154. SHRI LOKANATH MISRA: Will the Minister of STEEL, MINES AND METALS be pleased to state:

(a) whether Government have received complaints of mismanagement against Khetri Copper Project;

(b) if so, what is the nature of complaints; and

(c) what are the reasons for continuous loss being incurred by the Project?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI CHOWDHARY RAM SEWAK): (a) and (b) No complaints of mismanagement as such of Khetri Copper Project have been received. However, some representations about the delay in the completion of the Project, alleged malpractices and irregularities about payment to contractors, certain lack of facilities to workers in the project etc., were received from time to time <md have been looked into.

(c) The Project is still in the construction stage and the question of continuous loss at this stage does not arise.

SHRI LOKANATH MISRA: May I know what was the target date for the completion of this project and has that been delayed?

SHRI P. C. SETHI: The target date for the completion of this project has been delayed on account of many factors, because the project was conceived as early as 1961 as 10,000 tonnes; but later on it was changed to 21,000 tonnes. Now it is 31,000 tonnes including a big industrial complex.

SHRI LOKANATH MISRA: May I know who was responsible for revision of these figures thrice and who did the planning for this project, and how is it that he did not envisage a total production of 31,000 tonnes in the beginning, and how did this subsequent Intelligence dawn upon him that it should be 31,000 tonnes and not 21,000 tonnes? He did it in three instalments.

SHRI P. C. SETHI: Western Knapp from the U.S.A. are our consultants. They were asked to do the first phase of the project report. After doing the first phase of the project report they came to the conclusion that 10,000 tonnes target would be uneconomic. Therefore, they recommended the production of 21,000 tonnes.

SHRI LOKANATH MISRA: May I know whether the Managing Director who was sufficiently qualified has been superseded because of the designs of the Chairman and therefore there has been a lot of misunderstanding, mismanagement, and therefore there has been delay in the project being completed?

SHRI P. C. SETHI: That is not true. As far as I know, no Managing Director has been superseded.

SHRI M. P. BHARGAVA: May I know from the Minister of State how he says that the question of losses does not arise? The more the production is delayed the more are the losses and we are drawing from the capital.

SHRI P. C. SETHI: It is not really in that sense that we said that the question of losses does not arise. Certainly the project has been delayed. We are losing in terms of interest and other things. As the production has not yet started the losses in that sense of the term do not arise.