

Ministry of Commerce and Industry, and it was found that the imports of lathes over 7" were over 900. That is the information that the Government have about the matter.

Shri A. M. Thomas: May I enquire whether modern production and precision types are manufactured in either of the graded or ungraded tool factories in India?

Shri K. C. Reddy: So far as I am aware, they are not manufacturing such instruments.

Shri V. P. Nayar: May I know whether the Government have assessed the demands of machine tools for the purposes of Government? If so, what is the estimated quantity?

Shri K. C. Reddy: There has been an assessment, but I cannot give all the figures at present. I have given the figure so far as lathes are concerned, particularly lathes over 7".

Shri V. P. Nayar: May I know the total worth of machine tools required for Government purposes per year?

Shri K. C. Reddy: I cannot say the total value of the machines required for Government only, but the value of all the machine tools that are now used in the country is estimated to be about Rs. 5 crores.

Shri A. M. Thomas: May I know whether Government has entered into any agreement with any foreign firm for the manufacture of machine tools?

Mr. Deputy-Speaker: This question has been asked already, I think.

Shri K. C. Reddy: Yes, Sir, it has already been answered once on the floor of this House. This Machine Tool Factory is being set up in collaboration with Oerlikons, a Swiss firm.

Shri K. Subrahmaniam: May I know what part of the national demand is being produced by private machine tool factories in India?

Shri K. C. Reddy: It is not a very high percentage; it is a very small percentage. I think machine tools worth roughly about Rs. 50 lakhs per annum are produced in this country.

Shri K. K. Basu: May I know whether Government is giving any specific help to these private machine tool factories either in cash or in the supply of basic raw materials?

Shri K. C. Reddy: Certainly, supply of basic raw material is made as far as possible. And there is also a formula

for financial assistance with regard to the fostering of this industry.

Shri Bansal: Is it a fact that this Oerlikon Factory charged the Government of India Rs. 90 lakhs or near-about that sum for the preparation of drawing alone for the factory?

Shri K. C. Reddy: I am sorry I cannot commit myself to the figure mentioned by the hon. Member.

Shri Bansal: Will he please enquire into it and find out what is the exact figure?

Shri K. C. Reddy: Certainly, Sir, I will find out.

Shri S. C. Samanta: Has the memorandum submitted in June last by the Machine Tool Manufacturers' Association to the hon. Minister been considered, and has any decision been taken on the same?

Shri K. C. Reddy: Yes, it was considered and a reply also has been given to them.

CONTRACTS BY DAMODAR VALLEY CORPORATION

*1137. **Shri Krishna Chandra:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether in the annual report of the Damodar Valley Corporation for 1949-50, the Auditor has reported that according to the then practice of the Corporation, contracts were given by negotiation without comparative tenders being called for;

(b) whether the Auditor made a recommendation that this serious defect should be rectified at once;

(c) whether any rules have since been made for giving contracts;

(d) if so, whether a copy thereof will be laid on the Table of the House; and

(e) whether these rules are being followed?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Yes Sir, in the case of the construction of roads and temporary buildings for the Bokaro Thermal Power Station.

(b) No, Sir.

(c) The Corporation has been following generally the rules of the Central Public Works Department in such matters. In addition they have been issuing orders from time to time on the subject.

(d) A copy of the orders on the subject issued by the D.V.C. is laid on the Table of the House. [See Appendix VII, annexure No. 3.]

(e) Yes Sir.

Sari Krishna Chandra: The statement supplied to me reveals that prior to the period of audit there were instructions that no contract should be given without inviting tenders. In view of that may I know whether the contracts given without inviting tenders were in contravention of those instructions?

Shri Hathi: There were orders even prior to this that no work should be given without inviting tenders. The limits for different officers were different. In this particular case, looking to the urgency of the work as there was shortage of housing and as access roads were to be made urgently, this work was given by negotiations at a higher level.

Sari Krishna Chandra: May I know whether this explanation was put before the auditors before they made the observations and whether it was considered by the auditors?

Shri Hathi: This was subsequently explained and no further comments were received.

Pandit K. C. Sharma: What was the authority for the negotiation? You said at a higher level. What is the higher level?

Shri Hathi: D.V.C. Sir. Contracts up to Rs. 2,000 can be given by a Sub-Divisional Officer and above Rs. 5,000 by an officer above the rank of a Divisional Officer. No contracts can be given by the Corporation without calling for tenders.

Shri Krishna Chandra: May I know the amounts involved in the contracts that were given in the first instance?

Shri Hathi: About a lakh of rupees.

Shri B. K. Das: May I know whether this irregularity had happened with regard to Bokaro Thermal Station only or to any other project?

Shri Hathi: So far as I know this is the only instance.

Sardar A. S. Saigal: No tenders were invited?

Shri Hathi: It was by negotiation.

Shri G. P. Sinha: What is the total amount of contract given by negotiation and by tender?

Mr. Deputy-Speaker: The hon. Minister has already replied, a lakh of rupees.

Shri G. P. Sinha: Without calling the tenders?

Shri Hathi: One lakh of rupees.

Sardar A. S. Saigal: Without negotiations and without calling for tenders?

Mr. Deputy-Speaker: Is there a third category of contract, without negotiation and without tender? How can that be?

Shri Hathi: I require notice.

Sardar A. S. Saigal: May I know whether this practice is prevalent in all the cases?

Shri Hathi: No, Sir.

Shri Jaipal Singh: Is it a fact that the Kuljan Corporation who have been the Consulting Engineers to the D.V.C. have got the purchasing contract? If so, why?

Shri Hathi: I may submit that this does not arise from this particular question.

Shri Sarangadhar Das: May I know the number of works, the value of which comes to one lakh rupees approximately?

Shri Hathi: I require notice.

MANUFACTURE OF PENICILLIN

*1140. **Shri L. N. Mishra:** (a) Will the Minister of Production be pleased to state the progress made for the manufacture of Penicillin in India?

(b) When is the Indian-made Penicillin expected to be in Indian markets?

The Minister of Production (Shri K. C. Reddy): (a) The construction of the Penicillin Factory buildings at Pimpri is in progress and is expected to be completed by about March 1953. Orders for a major portion of the plant and equipment have been placed. The erection of the Factory is scheduled to be completed by October 1953 and production of Penicillin to start by the end of 1953.

(b) About the end of 1953 or beginning of 1954.

Shri L. N. Mishra: May I know the approximate quantity of penicillin to be produced in this concern and how does it compare to the normal demand?

Shri K. C. Reddy: No quantity is produced at present.

Mr. Deputy-Speaker: Things expected to be produced—all this has been asked at various stages