

1,500 kms, it is Rs. 551 per tonne. For 2,000 kms, it is Rs. 675 per tonne. It will go up from the first of April because yesterday in the Railway Budget, freight increase of four per cent has been announced. I am speaking as of today.

If you compare it by road, we find that the transportation cost by road is certainly much higher than the transportation cost by rail. I can give a comparative statement. For 600 kms and above, it comes to Rs. 263 by rail. And if the same is carried by road, it comes to Rs. 650. For 1,000 kms by rail it comes to Rs. 387.90 per tonne and by road it comes to Rs. 700 per tonne. Then, I go to the third one. For 2,000 kms and above, by rail it comes to Rs. 675.10 and by road it comes to Rs. 900. So, there is a difference and it all depends on the type of transportation.

**DR. KARTIKESWAR PATRA:** Mr. Speaker, Sir, I would like to know from the Minister that keeping in view of the increase in the cost of transportation, how freight equalisation in different parts of the country can be maintained. This is my first question.

The Minister has only expressed that freight rates are decided. I want to know from the Minister how has it been decided, whether by a Committee or certain terms of mileage or kilometer.

**SHRI P.A. SANGMA:** Since there is no system of freight equalisation, there is no question of bringing the freight on equal terms. That is not possible. Nor the Government has any intention of introducing the scheme of freight equalisation. That is the position.

As far as how freight rates are fixed by the Railways, I will not be able to answer this question because the Railway Ministry has to give the information.

[*Translation*]

**Heavy Engineering Corporation Limited, Ranchi**

\*24. **SHRI RAM TAHAL CHOUDHARY:** Will the PRIME MINISTER be pleased to state:

(a) whether the Heavy Engineering Corporation Limited, Ranchi is running in loss;

(b) whether the Union Government have sent any team to probe into the causes thereof;

(c) the details of the report submitted by the team;

(d) the time by which the action will be taken on the above report; and

(e) the remedial steps taken/proposed to be taken to overcome the loss?

[*English*]

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P.K. THUNGON): (a) Yes, Sir.

(b) No, Sir.

(c) and (d). Does not arise.

(d) Government have taken various steps to curtail losses in HEC which include providing plan and non-plan funds and guarantee for increase in cash credit limit with the banks to obviate the present liquidity crunch and providing funds for implementation of the Voluntary Retirement Scheme to rationalise the excess manpower.

[*Translation*]

**SHRI RAM TAHAL CHOUDHARY:** Sir, the hon. Minister has given reply in the affirmative to parts (a) and (b) of the question. My second question is regarding the reasons for losses incurred by the H.E.C.

Lakhs of families have been affected and there has been a lot of unnecessary expenditure. Officials of the unit are responsible for the unit's telephone bills which run into crores. Two years ago the unit had shown profits but after two years, H.E.C. is running in loss due to the mismanagement of the units. Employees are being compulsorily retired. When those people were working here, profit in crores was registered and many irregularities were found. In reply to parts (c) and (d) of the question it was said that the "question does not arise." Regarding losses in HEC, I would like to ask the hon. Minister ...

MR. SPEAKER: Please ask your question.

SHRI RAM TAHAL CHOUDHARY: Sir, I am just coming to the question. What led to the losses in HEC? (*Interruptions*)

MR. SPEAKER: Not like this. Come to your question. If you need information you can give it to the hon. Minister in writing. If you have the information then there is no point in asking and if you don't have the information then you can ask the question.

SHRI RAM TAHAL CHOUDHARY: Sir, I am asking the question. The House should be informed as to the reason for the losses (*Interruptions*)

SHRI RAJVEER SINGH: Sir, please apply this to everyone. On a number of occasions members have taken 30 minutes or more to explain a matter to the Minister. This is objected to by you. (*Interruptions*)

MR. SPEAKER: This applies to everyone.

SHRI RAM TAHAL CHOUDHARY: Sir, my question consists of a single sentence. He should provide the House with information about the reasons that led to the losses.

[*English*]

SHRI P.K. THUNSON: Sir, as I have

stated in my reply to the main question, so far as the Committee is concerned, we have not sent it to any Committee. The hon. Member wants to know about the reasons as to why it has become a loss-making unit. The reasons are:

1. Excessive manpower and poor work culture;
2. High overheads and high interest burden;
3. Reduction in cash credit limit by R.B.I. from Rs. 150 crores to Rs. 102 crores;
4. Heavy outstandings from major customers to the extent of about Rs. 100 crores;
5. Working capital constraints;
6. Inadequate and imbalanced order book; and
7. Old plant and machinery and technologies.

[*Translation*]

SHRI RAM TAHAL CHOUDHARY: Mr. Speaker, Sir, I said that lakhs of people are dependent on this unit for their livelihood and the hon. Minister has taken it very lightly. Keeping in mind the fact that lakhs of people are dependent on this unit for their livelihood, I just wanted to know whether the Union Government intends to order a probe into it and if so, the time by which the problem will be solved and if not, the reasons therefore? What steps the Government proposes to take to overcome the loss?

[*English*]

SHRI P.K. THUNSON: Sir, I am quite in agreement with the hon. Member that we certainly want to revive the H.E.C. For the the information of the hon. Member, I may mention that during the last six months, I have had more than 6-7 meetings with the union leaders to get their cooperation and to get their suggestions as to how best it can be