

Mining and Allied Machinery Corporation in Durgapur

649. **Shrimati Jyotana Chanda:** Will the Minister of Industrial Development and Company Affairs be pleased to state:

(a) whether it is a fact that the Mining and Allied Machinery Corporation in Durgapur is running at a loss since it was commissioned in 1963; and

(b) if so, the reasons therefor?

The Minister of Industrial Development and Company Affairs (Shri F. A. Ahmed): (a) The Mining and Allied Machinery Corporation Ltd., Durgapur was incorporated as a company on 1st April, 1965 and during the year 1965-66 it has shown a total loss of Rs. 2,08,24,167.

(b) Such losses in the earlier years of operation are not unusual in capital-intensive heavy engineering projects of a specialised nature. It takes some time for normal production to be established and the break-even point is reached only after a few years of such operation when batch production of sophisticated machinery items has been established. In the case of the M.A.M.C. also the burden of interest, depreciation charges, the heavy expenditure incurred in the initial years on the training of workers and on preliminary work required to be completed to launch batch production without adequate countervailing production has been responsible for the loss under reference. Furthermore, during 1963-66 there was lack of adequate orders for coal mining equipment on the company which again was due to the downward revision of coal production targets and the relatively slower pace of mechanisation of the existing coal mines than envisaged earlier.

Accumulation of Steel at Bhilai

650. **Shri Onkar Lal Berwa:**
Shri Meetha Lal:

Will the Minister of Steel, Mines and Metals be pleased to state:

(a) whether it is a fact that huge quantity of Bhilai steel is lying unused because it could not be utilized by some important public sector undertakings;

(b) if so, whether the possibilities of export of this steel stock pile have been explored; and

(c) the manner in which this stock is intended to be utilized?

The Minister of Steel, Mines and Metals (Dr. Chenna Reddy): (a) On 1st May, 1967, Bhilai had stocks of 84,759 tonnes of Saleable Pig Iron and 94,392 tonnes of Saleable steel. This accumulation reflects recessive market conditions.

(b) The possibilities of export of Bhilai Products are continuously being explored. Currently, Bhilai is executing export orders for Pig Iron from Japan, for rails from Sudan, Iran, Ghana, etc. and beams and channels from U.S.S.R.

(c) The stock of saleable products is expected to be liquidated through internal as well as external sales.

Reservation of Berths on Railways

651. **Shri Meetha Lal:**
Shri Onkar Lal Berwa:

Will the Minister of Railways be pleased to state:

(a) whether it is a fact that the new system of reservation of berths on Railways has been very inconvenient for intending passengers, and there have been strong protests against this from the people of all sections;

(b) if so, whether Government propose to revoke the new system of reservations; and

(c) if not, the reasons therefor?