

LOK SABHA DEBATES

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LOK SABHA

Wednesday, April 7, 1976/Chaitra 18,
1898 (Saka)

The Lok Sabha met at Eleven of the
Clock

[Mr. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Diversification of Production by HEC

*421. SHRI R. S. PANDEY: Will the Minister of INDUSTRY AND CIVIL SUPPLIES be pleased to state:

(a) whether Heavy Engineering Corporation proposes to diversify its production; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY AND CIVIL SUPPLIES (SHRI A. C. GEORGE): (a) Yes, Sir.

(b) Due to inadequate orders for Steel Plant equipment, to which HEC is mainly geared, it has become necessary for HEC to seek work load in other possible areas.

SHRI R. S. PANDEY: From its very inception, from the days of its establishment, uptill now, how much loss the Heavy Engineering Corporation has incurred?

SHRI A. C. GEORGE: It is a fact that HEC at Ranchi, from its inception, was not able to make profits and due to various reasons it was running at a loss. Last year the loss was to the tune of Rs. 4 crores. But

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I take this opportunity to inform this august House that for the first time this year, in 1975-76, the production of HEC has reached a level of 94 per cent of the revised target fixed even after the emergency. This year the production upto 31-3-76 has come to Rs. 80.2 crores. This year we are likely to make a profit of Rs. 25 lakhs for the first time in the history of HEC.

SHRI R. S. PANDEY: There is a heavy investment of the order of Rs. 800 crores in the HEC and the Loss uptill now is Rs. 113 crores. May I know what are the main reasons for this,—is it because of mismanagement or what else? This is an industry in which the Government has invested an amount to the tune of Rs. 800 crores. The loss uptill now has amounted to Rs 113 crores. What is the main reason?

SHRI A. C. GEORGE: Sir, an industry of this nature has got a long gestation period. That itself will account for the losses that might have been incurred during the first four or five years. This is an industry which is a mother industry for the steel plants and other heavy engineering units. We were rather new in this and I do consider that, in the beginning, there were some cases of not proper management. We have streamlined the whole system. That is why, in comparison to the production of Rs. 73 crores in 1974-75, this year, we were able to achieve a production of Rs 80 crores and make a small profit at least.

SHRI KRISHNA CHANDRA HALDER: Mr. Speaker, Sir, due to recession and for want of orders, the

Heavy Engineering Corporation wants to diversify their production. So, I want to know whether any employee will be retrenched. I want an assurance from the Minister that there would be no lay-off in the Heavy Engineering Corporation.

SHRI A. C. GEORGE: Sir, this is an industry which is basically geared for manufacturing heavy machinery for the steel plants—the armoured position at present is quite good for 1976-77 and, partially, it will take us through 1977-78 and 1978-79. For an industry of this type that is not good enough. That is why we are thinking of diversification into other areas. Apart from steel, in fact, we have got ideas for further expansion in the field of mining and other heavy engineering requirements. But, Sir, our intention is that in spite of the difficulties not to retrench any employee at all.

SHRI N. E. HORO: There is a great scope for diversification in H.E.C. They have acquired a large area of lands and they could go in for diversification of industry. I would like to know whether it is or it is not a fact that because the present Chairman of the Corporation is against diversification although several of his colleagues are for it, that is holding up the Government to expand this industry.

SHRI A. C. GEORGE: Sir, the decision is not made by the Chairman alone. For an industry of this magnitude, the decisions in regard to productions are made by the Board and with the direction of the Ministry itself. That is not an industry which may cater to the needs of ordinary consumers. In fact this is a mother machine-building industry. The decision is taken at the highest level taking into consideration the requirements of the mining ministry, the steel ministry, petroleum ministry and all other ministries which are vitally concerned with this.

If at all an individual decision is there, it is of no consequence and I can assure you that the Chairman is also for the prosperity of the industry and he is very much in favour of diversification.

Reservation for S.C. and S.T. in Services under Voluntary Agencies receiving Grants-in-Aid

*422. **SHRI N. E. HORO:** Will the PRIME MINISTER be pleased to state the steps taken by Government for providing reservation of vacancies for persons belonging to Scheduled Castes and Scheduled Tribes in services and posts under the voluntary agencies receiving grants-in-aid from Government?

THE DEPUTY MINISTER IN THE MINISTRY OF HOME AFFAIRS (SHRI F. H. MOHSIN): Instructions have been issued in October, 1974 to Ministries/Departments that in the case of voluntary agencies receiving substantial grants-in-aid from them, they should include a suitable clause in the terms and conditions under which such voluntary agencies are given grants-in-aid to provide that the main features of the scheme of reservations should be followed by these agencies. The broad features of the scheme to be followed by the agencies were also circulated to them through the various Ministries who give them the grants-in-aid. The agencies are also required to be informed that the progress in regard to employment by them of Scheduled Castes and Scheduled Tribes in the services under them would be taken into account by Government while sanctioning future grants-in-aid to them. A copy of the instructions in question is laid on the Table of the House. (Placed in Library. See No. LT-10644/76.]

SHRI N. E. HORO: Sir, I would like to know from the Government how many scheduled castes and scheduled tribes people are employed by