

THE MINISTER OF LABOUR AND REHABILITATION (SHRI R. K. KHADILKAR) : The progress made with the Dandakaranya development scheme being executed by the Dandakaranya Development Authority is indicated in the Chapter 'Dandakaranya Project' in the Annual Reports of the Department of Rehabilitation circulated to the Members of Parliament in the Budget Session every year.

Profits earned by Steel Plants in Public Sector

1752. **SHRI PRABODH CHANDRA** : Will the Minister of STEEL AND MINES be pleased to state :

(a) the time by which the Steel Plant in the Public Sector are expected to start making profits ; and

(b) the reasons for incurring losses by the Hindustan Steel Limited which is equipped with the latest machinery and equipments while an old machinery installed by Tatas about 50 years ago are making profits ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI SHAHNAWAZ KAHN) : (a) and (b). Profitability is a function of costs, volume of production and prices. It has been estimated by Hindustan Steel Limited that on the basis of existing prices and costs, the three integrated steel plants under the Company can earn a profit if the volume of their production exceeds 84%, 81% and 63% of the installed capacity of Bhilai, Durgapur and Rourkela Steel Plants respectively. Accordingly, the Management is concentrating its efforts towards raising production as rapidly as possible and a number of steps have been taken in this direction.

The losses sustained by the Company over the years have been due to a number of reasons including such factors as inadequate utilisation of capacity, higher incidence of capital related charges, disturbed industrial relations in some of the plants, and escalations in cost elements. The capital related charges of TISCO are very much lower and their utilisation of capacity is greater.

Increase in Price of Steel

1753. **SHRI D. K. PANDA** :
SHRI JYOTIRMOY BOSU :

Will the Minister of STEEL AND MINES be pleased to state :

(a) whether Government have lately decided to increase prices of steel ;

(b) if so, the main features thereof ; and

(c) the reasons prompting Government to increase the prices ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI SHAHNAWAZ KAHN) . (a) and (b). With effect from 22-7-1972, Government have allowed an increase in prices of the following three categories of steel, by the amounts indicated against each :

(i) Billets	Rs. 80/ per tonne
(ii) Bars and Rods and Wire Rods	Rs 85/-per tonne
(iii) Structural and Rails	Rs. 50/ per tonne

(c) The three main producers of steel, viz, Hindustan Steel Limited, Tata Iron & Steel Company Limited and Indian Iron & Steel Company Limited represented to Government in April/May 1972 for an increase in steel prices. In their representations, the main producers referred to various items of cost escalations which had not been covered by the increase in steel prices approved by Government on December 30, 1969 and also to further cost escalation factors which had taken place since then. The total effect of these escalations came to over Rs.100/- per tonne. Of this, Wages (including DA) accounted for over Rs 30 per tonne, Raw Materials over Rs 20/-, Refractorier, Rolls and Fule Oil over Rs. 25/-and other factors such as Railway Freight, consumable stores, power etc., over Rs. 32/-. They had pointed out that in the absence of a suitable price increase, their operating results were being adversely affected.

Government carefully considered these representations and came to the conclusion

that a general price increase for steel at this stage would not be advisable. However, it was considered that a case existed for increase in the prices of a few selected categories.

भवन-निर्माण कार्य में लगे मजदूरों की मजूरी में वृद्धि

1754. डा० संकटा प्रसाद : क्या श्रम और पुनर्वासि मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार ने भवन-निर्माण कार्य में लगे मजदूरों की मजूरी 4.50 रुपये से बढ़ाकर 5 रु० करने का निर्णय किया है;

(ख) यदि हाँ, तो क्या इसे क्रियान्वित किया गया है; और

(ग) यदि नहीं, तो इसके क्या कारण हैं ?

श्रम और पुनर्वासि मंत्री (श्री आर० के० खाडिलकर) : (क) से (ग). (1) मजूकों के निर्माण और उनकी देखभाल या भवन-सकार्यों;

(ii) पत्थर तोड़ने और पत्थर पीसने;

(iii) भवनों की देखभाल; और

(iv) अवतरण-पथों के निर्माण और उनकी देखभाल के नियोजनों में लगे कर्मचारियों के लिए न्यूनतम मजदूरी-दरों के संशोधन के लिए मसौदा प्रस्ताव भारत के असाधारण राजपत्र दिनांक 20 मई, 1972 में प्रकाशित हुए हैं जिनमें तीन महीने के अन्दर-अन्दर आपत्तियों/मुद्दाव यदि कोई हो, आमंत्रित किए गए हैं। जो टीका-टिप्पणियाँ प्राप्त होगी, उनको ध्यान में रखते हुए इस अवधि के बाद इन प्रस्तावों को अन्तिम रूप दिया जाएगा।

Investment in Public Sector Steel Plants

1756. SHRI ACHAL SINGH : Will the Minister of STEEL AND MINES be pleased to state :

(a) the total investment made by Government in running Bhilai, Rourkela and Durgapur steel plants upto 31st March, 1972 ;

(b) the profit and loss from these plants during the last three years respectively ; and

(c) the reasons for the loss in the Plants ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI SHAHNAWAZ KHAN) : (a) The total investment of Government funds in Hindustan Steel Limited of which Bhilai, Rourkela and Durgapur Steel Plants are 3 units, as on 31-3-1972 was Rs. 1011.07 crores—equity Rs. 594.37 crores and loans Rs. 416.70 crores.

(b) The Working results of the Bhilai, Rourkela and Durgapur Steel Plants for the years 1968-69 to 1970-71 were as under :

Plant	(Rs. in crores)		
	Net profit (+) / Loss (—) for the years		
	1968-69	1969-70	1970-71
Rourkela	(—) 3.97	(+) 7.83	(+) 10.20
Bhilai	(—) 11.35	(+) 3.65	(+) 11.04
Durgapur	(—) 17.37	(—) 15.50	(—) 20.40

The annual accounts for the year 1971-72 are yet to be finalised and approved by the Company but according to the present indications, all the plants have suffered a loss during this year.

(c) As will be noticed from the above statement, Rourkela and Bhilai Steel plants earned profits in 1969-70 and 1970-71. The losses incurred by these plants in 1968-69 and by the Durgapur Steel Plant during all the three years were primarily due to actual production being considerably lower than the installed capacity. The same also applies to the year 1971-72, when there was the additional factor of escalations in costs due to full impact of the Wage Agreement, higher consumption of stores and spares on account of increased maintenance requirements due to ageing of plants, increases in the prices of raw materials and stores and spares, Emergency Risk Insurance, revaluation of the DM., increase in rates of electricity duty and arrears on this