

(**Shri P. C. Sethi**): (a) to (c). In the Third Five Year Plan, there is no provision for any new steel plant in Goa. In the context of the requirements of the Fourth Five Year Plan, the feasibility of a steel plant in the Goa-Hospet region of one million ton capacity or more is being explored. The question of financial arrangement for the Project would be considered at the appropriate time.

Shri Shree Narayan Das: May I know whether any negotiations at private level or at Government level are going on?

The Minister of Steel and Heavy Industries (Shri C. Subramaniam): No, Sir.

Shri Kapur Singh: May I know whether this proposed steel plant is expected to utilise and absorb all the iron ore potential of Goa or will there still be left some surplus for export?

Shri C. Subramaniam: We will always continue to export and if iron ore in the Goa region is exhausted, iron ore from other regions can be exported through Goa.

श्री यशपाल सिंह : क्या फ्रांस के अलावा किसी और देश के साथ भी इस मामले में कोई बातचीत हुई है ?

Shri C. Subramaniam: No, Sir. No negotiation is going on.

Shri P. Venkatasubbaiah: May I know whether, apart from Goa, is it being contemplated to effect exports through Vishakhapatanam?

Mr. Deputy Speaker: The main question relates only to the Goa region.

Manufacture of Machine Tools

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- *67. { **Shri Imbichibava**;
Shri P. Kunhan;
Shri Warior;
Shri Vasudevan Nair;
Shri M. N. Swamy;
Shri A. K. Gopalan;

Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether it is a fact that a number of licences granted to private firms for the manufacture of machine tools have not yet been utilised;

(b) if so, the reasons therefor;

(c) whether Government intend to take over these private sector projects; and

(d) the steps Government propose to take to ensure attainment of the Third Plan target for machine tools?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) Yes, Sir.

(b) The manufacture of machine tools requires considerable investment relative to output, and intricate skills. Difficulties and delays are experienced in obtaining foreign exchange, especially from scarce sources; in formulating satisfactory manufacturing programmes; and in securing foreign collaboration.

(c) The public sector is already undertaking a large part of the existing production of machine tools. There is no proposal to take over any units in the private sector.

(d) The industry's requirements of imported machinery, raw materials and components are accorded high priority, consistent with availability of foreign exchange. The public sector is also being expanded.

Shri Imbichibava put a question in Malayalam.

Shri Nambiar: Sir, I will translate it.

What stands in the way of the Government taking it over from the private sector?

Shri C. Subramaniam: I do not see any reason why it should be taken over from the private sector.

Shri Daji: The reply to part (a) of the Question is very vague. I would like to know how many licences were actually taken out which did not fructify and similarly about part (d) of the Question, I would like to know

what is the shortfall as against the target fixed.

Shri C. Subramaniam: On the whole, so far, 209 licences have been issued. Out of these, 59 were issued in 1962-63. Only 26 schemes are showing some life. If all of them go into production, then it may amount to Rs. 19 crores.

Shri Daji: The second part of my question has not been replied to. As a result of this failure, what shall be the shortfall in the target?

Shri C. Subramaniam: That is why we are trying to expand more in the public sector so that that shortfall may be made up.

Shri P. Kunhan: May I know the private sector units that have not utilised those licences?

Shri C. Subramaniam: It is a large number. As I have already stated, 209 licences have been issued. Only 26 schemes are being actively pursued.

Shri Kashi Ram Gupta: May I know the possible reasons for the licensees not implementing these licences?

Shri C. Subramaniam: That has been already given in answer to part (b) of the question.

Shri Vasudevan Nair: It has been stated that a large number of licences are not being utilised. May I know whether before issuing the licences, Government ascertained the capacity of those private parties as to whether it would be possible for them to implement those projects?

Shri C. Subramaniam: As far as it is possible, when we find that adequate steps are not being taken to utilise the licences after being given sufficient time the licences are being revoked.

Shri Ranga: May I know whether any active and constructive steps are being taken by Government themselves to help these people to over-

come their difficulties and see that they fulfil their promises to us which they made when they took the licences?

Shri C. Subramaniam: To the extent necessary Government are giving all possible assistance. But this is private enterprise, and they cannot expect Government to take over the whole thing.

Shri Jashvant Mehta: May I know the shortfall in the Third Five Year Plan on account of the non-utilisation of these licences?

Shri C. Subramaniam: I have already stated that we expected that we should reach a production to the extent of Rs. 30 crores per annum, but perhaps we may reach only Rs. 25 crores.

Shrimati Savitri Nigam: May I know whether any survey has been made to ascertain the total requirements, what percentage of the requirements is being met by indigenous production and what percentage is met by imports, and what action has been taken against those who have not utilised the licence and fulfilled their promises?

Shri C. Subramaniam: An estimate was made that we might require about Rs. 60 crores worth of machine-tools by the end of the Third Plan period. Out of this, the plan is to produce at least Rs. 30 crores worth of machine-tools but we would not be reaching even this; it will be a little lower than that.

Dr. Sarojini Mahishi: What percentage of the total requirements of machine-tools in the country is expected to be manufactured in the private sector, and how far has this been achieved till now?

Shri C. Subramaniam: The private sector production achievement has so far been round about Rs. 4 crores. The balance is being produced in the public sector.

श्री श्रीकारलाल बेरवा : मैं जानना चाहता हूँ कि क्या कुछ लाइसेन्सदातों

सरकार के पास यह शिकायत आई है कि उन को जो सुविधायें मिलनी चाहियें वे नहीं दी जा रही हैं ।

श्री प्र० चं० सेठी : उन की आवश्यकतानुसार जो सुविधायें देने की जरूरत है वे दी जाती हैं ।

श्री कछवाय : मैं जानना चाहता हूं कि क्या यह बात सही है कि कुछ लोग जिन के पास लाइसेंस हैं वे उन का उपयोग नहीं करते ? यदि हां, तो क्या सरकार के सामने कोई तजवीज है कि उन के लाइसेंस रद्द कर दिये जायें और दूसरों को दे दिये जायें ?

श्री प्र० चं० सेठी : यदि वे एक निश्चित अवधि के पश्चात् तक उन को अमल में नहीं लाते, तो उन को नोटिस दे कर लाइसेंस रद्द कर दिया जाता है और दूसरों को दे दिया जाता है ।

Expansion of Rourkela Steel Plant

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*68. { **Shri D. C. Sharma:**
Shri Vishwanath Pandey:
Shri Kolla Venkaiah:

Will the Minister of Steel and Heavy Industries be pleased to state:

(a) whether a fresh agreement providing for Rs. 48 crores for the expansion of Rourkela Steel Plant has been signed between West Germany and India;

(b) if so, the terms and conditions of the agreement; and

(c) whether any delegation has gone to West Germany for the purchase of machinery and equipment for Rourkela's expansion programme?

The Deputy Minister in the Ministry of Steel and Heavy Industries (Shri P. C. Sethi): (a) Yes, Sir. An agreement for a loan of DM 400 million for expansion of the Rourkela steel plant was signed between West Germany and India on the 25th April, 1963.

(b) The loan is intended to meet the cost of supplies and services obtained from West Germany for expansion of the Rourkela plant proper. The loan is granted for a period of twenty years and bears interest at the rate of 5½ per annum.

Copies of the loan agreement are available in the Parliament Library.

(c) No, Sir. But a delegation went to finalise the procedure of disbursement of the loan and a few other connected matters.

Shri D. C. Sharma: Is any period within these 20 years without payment of interest or are we going to pay interest throughout the period of 20 years?

Shri C. Subramaniam: I think it carries interest throughout the 20 years. But there is a grace period of five years for payment.

Shri D. C. Sharma: Is this the final instalment of expansion or has the Ministry some other plans also for further expansion of this plant?

Shri C. Subramaniam: Yes, in the Fourth Plan there will be further expansion of the Rourkela plant.

Shri Tyagi: Is Rourkela working to its full capacity? If not, what is the shortage in percentage?

Shri C. Subramaniam: It is working almost to full capacity.

Shri Morarka: May I know the of determining or fixing the price of supplies and equipment which are going to come from Germany?

Shri C. Subramaniam: We are calling for tenders inside West Germany. It has been fixed on the basis of the tenders.

Shri Priya Gupta: Is the cost required for raw materials for Rourkela the same or different from other steel plants? What is the basis of fixing the price for raw materials to get the total output cost to be balanced?