

(c) In order to meet the growing demand for scooters in the country, Government have decided to license one additional unit of a suitable economic capacity; in the private sector, for the manufacture of scooters.

All the models of scooters, at present, produced in the country, are being manufactured in collaboration with reputed firms and according to the standards and designs of these collaborators. In approving collaboration arrangements, Government invariably insist that the Indian parties should set up facilities for research, design and development so that continued dependence on the foreign collaborators is dispensed with at the earliest and the Indian parties could improve the quality and design of their products to suit the requirements of the market.

Excise Duty on Cotton Textiles

439. SHRI M. L. SONDHI: Will the Minister of COMMERCE be pleased to state:

(a) whether Government are aware of the demand for substantial reduction in the excise duty on cotton textiles;

(b) whether Government propose to stimulate the demand for cloth which has fallen sharply;

(c) whether Government also propose to encourage the textile units to replace their obsolete machines; and

(d) if so, the steps contemplated in the matter?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH): (a) Yes, Sir.

(b) A number of measures to stimulate demand for cotton textiles as were mentioned in the statement made by the Deputy Minister in the House on the 1st May, 1968 have already been taken.

(c) Yes, Sir.

(d) The steps to be taken in the matter have not yet been finalised.

National Coal Development Corporation

440. SHRI R. R. SINGH DEO:
SHRI Y. S. PRASAD:
SHRI BEDABRATA BARUA:

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

(a) whether the National Coal Development Corporation has suffered a loss of Rs. 1.55 crores during the year 1966-67;

(b) if so, the main reasons which have contributed towards the loss; and

(c) Government's estimate about the profit/loss position of the Corporation during 1967-68?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI RAM SEWAK):

(a) The Corporation suffered a loss of about Rs. 1.58 crores during 1966-67.

(b) The loss is attributed mainly to the following reasons:

(1) Production from revenue collieries fell by about 0.2 million tonnes as compared with the previous year, although three new collieries were brought on to revenue account during the year.

(2) As the new revenue collieries were working well below their capacity, there was a loss of Rs. 32.83 lakhs on their working.

(3) Maintenance expenditure amounting to Rs. 25.79 lakhs for mines where development activities have been suspended/closed has been charged to the revenue account instead of being capitalised as before.

(4) The depreciation charge on first-class-non-factory buildings has increased as it has been decided to change depreciation on straight-line method for the period of the life

of the project, instead of at the usual rate provided in the Income Tax Schedule. The additional charge on this account is Rs. 20.00 lakhs approximately.

- (5) It has been decided to write off the capital expenditure on immovable assets for suspended/closed mines over a 10 year period. This has resulted in addition of Rs. 30.10 lakhs to the revenue account of the year.
- (6) The provision for doubtful debts has been increased by Rs. 5 lakhs and provision for deterioration in closing stocks by Rs. 5.21 lakhs.
- (c) The accounts for the year 1967-68 have not been finalised and audited as yet.

Rise in Coal Prices

441. SHRI INDRAJIT GUPTA: Will the Minister of STEEL, MINES AND METALS be pleased to state:

(a) the grounds on which the recent rise in coal prices has been approved by Government; and

(b) the extra expenditure which will be incurred annually thereby by (i) the Railways and (ii) public sector steel plants?

THE DEPUTY MINISTER IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI RAM SEWAK): (a) The ground on which increase in coal prices was sought by the industry was increase in the cost of production.

(b) The approximate additional expenditure to be incurred by the Railways on the recent increase is estimated to be of the order of Rs. 1.2 crores per annum. Similar figure in respect of public sector steel plants is of the order of Rs. 2.3 crores inclusive of the proposed additional cess.

Mining and Allied Machinery Corporation, Durgapur

442. SHRI D. C. SHARMA:
SHRI BENI SHANKER
SHARMA:

Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state:

(a) whether there have been complaints of unsatisfactory working of the Mining and Allied Machinery Corporation, Durgapur—a public sector project established with the Soviet collaboration;

(b) whether it is a fact that apart from the chronic labour unrest the plant is suffering from mismanagement, and absence of proper planning and organization, leading to a fall in production; and

(c) if so, the details thereof and the action taken in the matter?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED): (a) Yes, Sir.

(b) and (c) The difficulties faced by the Mining and Allied Machinery Corporation Limited are partly attributable to the lowering of coal production targets and to the slower rate of mechanisation of private coal mines which resulted in lesser orders for conventional coal mining equipment for which the plant had been primarily set up. The increase in production has also been slower than earlier anticipated, largely because labour productivity has not increased to an adequate extent. A team of Russian Experts visited the plant recently and have made various recommendations regarding increase in production and productivity, need for a comprehensive incentive system, streamlining of procedures etc. The Report of the Expert Team is under implementation at present.