

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.