

**ESTIMATES COMMITTEE  
(1972-73)**

(FIFTH LOK SABHA)

**TWENTY-FIFTH REPORT**

**MINISTRY OF AGRICULTURE**

**(DEPARTMENT OF AGRICULTURE)**

[Action taken by Government on the recommendations contained in the Fifth Report of the Estimates Committee (Fifth Lok Sabha) on the Ministry of Agriculture (Department of Agriculture)—Tractors and other Agricultural Machinery and Implements.]



सभामहोदय

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## CONTENTS

	PAGE
COMPOSITION OF THE ESTIMATES COMMITTEE (1972-73) . . . . .	(iii)
COMPOSITION OF THE STUDY GROUP 'E' OF THE ESTIMATES COMMITTEE . . . . .	(v)
INTRODUCTION . . . . .	(vii)
CHAPTER I Report . . . . .	1
CHAPTER II Recommendations that have been accepted by Government . . . . .	4
CHAPTER III Recommendations which the Committee do not desire to pursue in view of Government's reply . . . . .	42
CHAPTER IV Recommendations in respect of which replies of Government have not been accepted by the Committee . . . . .	52
CHAPTER V Recommendations in respect of which final replies of Government are still awaited . . . . .	58
APPENDIX I Notification No. S. O. 135 (B) dated 11-2-1972 regarding prices of Tractors . . . . .	61
APPENDIX II Letter to State Agro-Industries Corporations regarding After-Sale Service and maintenance of tractors . . . . .	63
APPENDIX III Tractors (Distribution and Sale) Control Order, 1971. . . . .	64
APPENDIX IV Analysis of action taken by Government on the recommendations contained in the Fifth Report of Estimates Committee (Fifth Lok Sabha) . . . . .	73

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(1972-73)**

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## INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present the Twenty-fifth Report on action taken by Government on the recommendations contained in the Fifth Report of the Estimates Committee (Fifth Lok Sabha) on the Ministry of Agriculture (Department of Agriculture)—Tractors and other Agricultural Machinery and Implements.

2. The Fifth Report of the Estimates Committee (Fifth Lok Sabha) was presented to the Lok Sabha on the 12th August, 1971. Replies indicating action taken on the various recommendations contained in the Report were furnished by Government on 29th March, 9th and 15th June, 2nd August and 7th October, 1972. The replies were considered by the Study Group 'E' of the Estimates Committee (1972-73) on the 24th November, 1972 and approved the draft Report on the same day. The Report was subsequently adopted by the Committee on the 12th December, 1972.

3. The Report has been divided into the following Chapters:—

I. Report

II. Recommendations that have been accepted by Government;

III. Recommendations which the Committee do not desire to pursue in view of the Government's reply;

IV. Recommendations in respect of which reply of government has not been accepted by the Committee.

V. Recommendations in respect of which final replies of Government are still awaited.

4. An analysis of the action taken by Government on the recommendations contained in the Fifth Report of the Estimates Committee (Fifth Lok Sabha) is given in Appendix IV. It would be observed therefrom that out of 69 recommendations made in the said Report, 53 recommendations i.e., 76.8 per cent have been accepted by Government. The Committee do not desire to pursue 7 recom-

viii)

mendations *i.e.*, 10.1 per cent in view of Government reply. replies of Government to 6 recommendations *i.e.*, 8.6 per cent not been accepted by the Committee.

KAMAL NATH TEWARI,

*Chairman,*

*Estimates Committee.*

NEW DELHI;

*December 16, 1972.*

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*Agrahayana 25, 1894 (Saka).*

## **CHAPTER I**

### **REPORT**

#### **Recommendations (Serial Nos. 1 and 2, Para 1.14 and 1.15)**

In paragraphs 1.14 and 1.15 of their Fifth Report (Fifth Lok Sabha) on the Ministry of Agriculture the Estimates Committee had emphasised that the reconstituted Board of Agricultural Machinery and Implements should meet more often so that it may be able to review the programmes of manufacture, servicing and maintenance of power-tillers, tractors and other agricultural implements and also make constructive suggestions for development of the industry engaged in the manufacture of tractors and other agricultural machinery.

2. In their reply the Ministry have stated that the reconstituted Board has met only once on 13-9-1971 after the presentation of the Report by the Committee.

3. The Committee are surprised to note that the Board of Agricultural Machinery and Implements had met only once on 13-9-71 during the period August, 1971 to August, 1972 in spite of the recommendation made by the Committee in August, 1971 and the reconstituted Board should meet more often so as to review the programmes of manufacture, servicing and maintenance of tractors and other agricultural implements. The Committee would like the Government to ensure that the Board holds its meetings more frequently so that it can play an effective role in the development of the industry engaged in the manufacture of tractors and other agricultural machinery.

#### **Recommendation (Serial No. 6 Para 2.22)**

4. In paragraph 2.22 of the Report the Estimates Committee had suggested that Government should investigate allegations that the same party registers demand simultaneously with a number of suppliers and then sells the tractors at a heavy premium.

5. In their reply Ministry of Agriculture have stated that "with a view to curbing the possible malpractice referred to by the Committee, the Government has promulgated Tractors (Distribution and Sale) Control Order, 1971, with effect from 1st September,



1971. Under this order, a security deposit of Rs. 1,000 in the Post Office Savings Bank Account has to be made at the time of registration. The Tractors Control Order lays down that no person who has purchased a new tractor shall be permitted to purchase another new tractor until after the expiry of a period of 12 months from the date of purchase except under a permit in writing from the Controller or in a State an Officer appointed for the purpose by the Government of that State. Besides, no person shall before the expiry of 2 years from the date when the tractor was first purchased as a new tractor, sell or offer to sell it except under and in accordance with the terms specified under the Control Order. The Control Order has also laid down that a new tractor shall immediately after its purchase be registered by the purchaser with the State authority as may be specified by the State Government. These measures will go a long way in curbing black-marketing in tractors. In view of this position, Government feels that no useful purpose will be served in carrying out investigations as suggested.

6. Regarding terms and conditions for resale of a new tractor before expiry of 2 years from the date of its purchase, the Ministry have further stated that "no person can resell a tractor before the expiry of two years from the date of purchase except with the permission of the Controller at the centre or the appropriate officer appointed for the purpose by the State Governments. The conditions or terms under which resale within the stipulated period of two years will be permitted by the Controller or other officers have not been specifically spelt out in the Control Order. The intention is that resale would be permitted taking into account the circumstances of each case. The Controller or other appropriate officer will take instructions from the appropriate Government in regard to the grant of permission for such resale.

7. The Committee are surprised to note that the Tractor (Distribution and Sale) Control Order, 1971 does not specifically state the terms and conditions under which a new tractor can be allowed to be resold by the Controller or other appropriate Officer before the expiry of two years. This means that the Controller or other appropriate officer has full discretion to allow resale of a new tractor before the expiry of two years. In the Committee's opinion such a blanket provision is not desirable. They would like that the terms and conditions under which the restriction imposed by the Tractors (Distribution and Sale) Control Order, 1971 may be relaxed should be specifically stated in the order itself.

**Recommendations (Serial Nos. 28 and 29, para Nos. 3.52 & 3.53)**

8. In paragraph 3.52 and 3.53 of the Report the Estimates Committee had referred to the question of returning defective RS-09 tractors purchased from German Democratic Republic. In that connection, the Committee observed that "the State Trading Corporation have signed a protocol with the G.D.R. suppliers which provides *inter alia* that tractors modified upto the date of signing the Protocol would be taken back by the supplier firm on the basis of the C. & F. Price at Bombay Port after deducting 8 per cent depreciation". The Committee also noted that G.D.R. representatives during their visit to Jullundur had demanded *ad hoc* deduction of Rs. 6,500 per tractor besides 8 per cent depreciation on the C. & F. value before undertaking inspection of the tractors. The Committee expressed surprise that any suggestion for making an *ad hoc* deduction should have been made after an agreement had been reached and a Protocol signed laying down the terms of the Agreement.

9. In their reply, Ministry of Agriculture have stated that "it was reported to the Ministry of Agriculture that the G.D.R. representatives had put a precondition for deduction of Rs. 6,500 each RS-09 tractor besides 8 per cent depreciation on the C. & F. value. The condition imposed by G.D.R. representatives was not agreed to. However, with a view to resolving the issue, the matter was referred to the Technical Committee as stipulated in the Protocol. The average deduction on account of abnormal repairs are around Rs. 600 per tractor."

10. The Committee are not convinced that besides 8 per cent depreciation on the C. & F. price at Bombay port of RS-09 tractors a further deduction of Rs. 600 per tractor on account of abnormal repairs was justified and should have been granted to G.D.R., representatives. Para 2 of the Protocol clearly lays down that "the tractors will be taken back on the basis of the C. & F. price at Bombay Port after deducting 8 per cent depreciation."

11. The Committee are distressed to note that Government have not safeguarded the interests of the farmers who had purchased the tractors in good faith from the Agro-Industries Corporations.

## **CHAPTER II**

### **RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT**

#### **Recommendation (Serial No. 4, Para 2.20)**

The Committee further suggest that Government should draw up a long term perspective Plan which may be reviewed annually in the light of actual experience.

#### **Reply of Government**

The recommendations of the Committee have been accepted.

[Ministry of Agriculture O.M. No. 8-1/71-MY (C&A) dated  
29-3-1972].

#### **Further Information called for by the Committee**

Please indicate whether a long term perspective plan has since been drawn up and if so its salient features may be indicated. The programme of an annual review of the plan in the light of actual experience may be indicated.

[Lok Sabha Sectt. O.M. No. 3|9|1|EC II|71, dated 3-7-1972].

#### **Further Reply of Government**

This Ministry has already entrusted the study entitled 'Assessment of demand for Tractors' to the National Council of Applied Economic Research. The term of reference to the Council is to assess the demand for tractors based on a detailed and systematic market survey conducted on scientific lines with the object of making realistic estimates of the likely demand for tractors of various H.P. ranges viz., 0-25, 26-35, 36-50, 51-65 and 65 and above on an annual basis, during the current Plan period and the Fifth Plan period.

In view of the position indicated above, the long term perspective Plan will be drawn up only after the report of the Council is received. The Plan so prepared will be reviewed yearly in the light of the actual experience.

[Ministry of Agriculture O.M. No. 15-25/72-MY(S) dated 1st  
August, 1972].

### **Recommendation (Serial No. 5, Para 2.21)**

The Committee feel that there is imperative need for realising self-sufficiency in the crucial field of manufacture of essential agricultural machinery and implements. The Committee, therefore, emphasise that import should be strictly regulated and permitted only to cover the known gaps in indigenous production to meet the pressing demand. The Committee, however, hope that care will be taken by Government to see that import of Agricultural Machinery does not hamper the development of indigenous manufacture of tractors etc., to meet in full the existing and anticipated demand.

### **Reply of Government**

The recommendations of the Committee would be kept in view while formulating import programmes in future.

[Ministry of Agriculture O.M. No. 8-1/71-MY (C&A) dated 29-3-72].

### **Further Information called for by the Committee**

Please state precisely what concrete steps have been taken so far to achieve the objectives set out in the Committee's Recommendation at Sl. No. 5 para 2.21.

[Lok Sabha Sectt. O.M. No. 3|9|1|EC-II|71, dt. 3-7-72].

### **Further Reply of Government**

In addition to the existing 6 units which are licenced for a capacity of 36,000 nos. of agricultural tractors per annum and already in production, 10 more units have been licenced for a capacity of 87,000 nos. per annum and another 11 units have been issued Letters of Intent for a total capacity of 75,800 nos. per annum. With the new units coming up, it is hoped that within the next 2-3 years, the country may be in a position to meet the domestic demand for tractors.

In order to step up production of agricultural tractors, the following facilities have been given to the tractor manufacturers:—

- (a) As tractors are included in the list of core industries, Government have been able to meet the full requirement of tractor manufacturers for import of components and raw materials in accordance with their phased manufacturing programmes.

- (b) All the tractor manufacturers have been assisted by grant of import licenced for additional capital goods required for achieving their licenced capacity.
- (c) The tractor manufacturers have been allowed to import packs of tractors with high percentage of deletions to step up production.

Import of tractors is allowed only if indigenous production of tractors is not sufficient to meet requirements. As intimated earlier, the Government of India has already entrusted to the National Council of Applied Economic Research to make a study of the demand for tractors in the various h.p. ranges on an annual basis on scientific lines for the remaining period of the Fourth Five Year Plan and the Fifth Five Year Plan.

[Ministry of Agriculture Office Memorandum No. 15-25/72-MY(S)  
dated 1st August, 1972].

#### **Recommendation (Serial No. 7, Para 2.43)**

The Committee have no doubt that Government would bear in mind the need for ensuring that firms which have been issued licences, translate them in terms of production. Government should keep close watch and take strict action. The Committee feel that Government should ensure that manufacture of those tractors only whose capability and suitability to Indian conditions have been proved, beyond doubt, are licenced for manufacture. While doing so, the Committee hope that Government will bear in mind the capital and running cost of tractors so as not to burden the agricultural sector with heavy investment. The Committee need hardly emphasise the benefits of standardisation of tractors which would result in economies of scale in manufacture and lower investories for servicing etc.

#### **Reply of Government**

The Ministry of Industrial Development periodically reviews the progress of tractor manufacturing units in consultation with the DGTD. The models of tractors offered for production are required to undergo tests at the Tractor Training and Testing Station, Budni (M.P.) These tests are designed to verify the performance of tractors *vis-a-vis* the claims of the manufacturers in this regard and also to judge their suitability for Indian conditions. As regards the standardisation aspects referred to on account of which there would be economies in production, maintenance and in carrying in-

ventories of spare parts, it may be pointed out that all the tractors manufacturers will buy substantial quantities of components made by the ancillary industry. The ancillary industry, to a large extent, manufacturers the components as applicable to all the models wherever standardisation is possible.

[Ministry of Agriculture O.M. No. 8-1/71-MY(C&A) dated 15-6-72].

### Further Information Called for by the Committee

Please state the present position regarding the licences issued for the manufacture of tractors and action taken by the firms to translate them in terms of production.

[Lok Sabha Sectt. O.M. No. 3/9/1/EC-II/71, dt. 3-7-72].

### Further Reply of Government

At present 16 units have been licenced (5 licenced during 1960—66 and the remaining 11 nos. during the years 1970—72) to manufacture 1,23,000 nos. tractors per annum; in addition, Letters of Intent have been granted to 11 more units covering a total capacity of 75,800 tractors per annum.

2. At present 6 units are in production. M/s. Kirloskar Tractors have been granted an extension upto July, 1972 to start production of tractors. They have taken steps to assemble 500 SKD packs imported through the STC. The Punjab Tractors Ltd., Chandigarh have also taken steps to manufacture 'Swaraj' tractors and are expected to bring the product in the market during the current year. Hindustan Machine Tools Ltd., have assembled 2,250 nos. of Zetor tractors since May, 1971 and are expected to go into regular production shortly. The remaining units are taking steps to start the manufacture of tractors shortly. The production of tractors in the country during the past six years are as under:—

1966	7,613	Nos.
1967	10,526	"
1968	13,799	"
1969	18,093	"
1970	19,943	"
1971	16,443	"
1972	7,345	(upto May, 1972)

The estimated production for 1972-73 is of the order of 42,700.

3. There had been a serious set back during the year 1971 due to complete stoppage of production in the unit of M/s. Hindustan Tractors Ltd., Baroda due to finance difficulties and in the units of Tractors and Farm Equipment Ltd., Madras due to labour trouble.

In order to step up production of agricultural tractors, the following facilities have been given to the existing tractor manufacturers:—

- (a) As tractors are included in the list of priority 'Core' industry, Government have been able to meet the full requirements of tractor manufacturers for import of components and raw materials in accordance with their phased manufacturing programme.
- (b) All the tractor manufacturers have been assisted by the grant of import licences for additional capital goods required for achieving their licenced capacity.
- (c) The tractor manufacturers have been allowed to import packs of tractors with high percentage of deletions to step up production.

[Ministry of Agriculture Office Memorandum No. 15-25/72-MY (S) dated 1st August, 1972].

#### **Recommendation (Serial No. 8, Para 2.44)**

While every effort should be made to increase the indigenous content in the production of tractors, the Committee suggest that it should be invariably ensured by Government that production programmes are not retarded for want of foreign exchange for purchasing a small percentage of components, as foreign exchange has otherwise to be spent on a much larger scale for the import of complete tractors.

#### **Reply of Government**

Every effort is being made to increase the indigenous content in the production of tractors. At the same time, a pragmatic view is taken in allowing import of components wherever availability of supplies becomes limited at any point of time. The scale of operation of each of the tractor manufacturer has been of the size that gives reasonable economies.

[Ministry of Agriculture O.M. No. 8-1/71-MY(C&A) dated the 15th June, 1972].

### **Recommendation (Serial No. 9, Para 2.45)**

The Committee trust that Hindustan Machine Tools which has recently taken up the production of tractors, would spare no efforts to establish manufacture of tractors upto the licenced capacity, in the minimum time possible. The Committee expect Hindustan Machine Tools, a premier public undertaking, to take the lead in providing tractors of proven capacity, competitive prices and efficient and dependable "after sales" service etc.

### **Reply of Government**

Follow up of the project for the manufacture of tractors by M/s. Hindustan Machine Tools Ltd., is being actively pursued. With a view to seeing that capacity is brought up quickly, they have been enabled to assemble in the first instance about 2250 tractors from imported SKD packs with about 20 per cent deletions. For the year 1972-73, they have been permitted to import CKD packs with deletions of 32 per cent and 45 per cent to the extent of 6,000 nos.

[Ministry of Agriculture O.M. No. 8-1/71-MY (C&A) dated 15-6-72].

### **Further Information Called for by the Committee**

Please state whether the assembly/production of tractors at Hindustan Machine Tools has actually started. If so, when. A comprehensive note on the subject may be furnished for the information of the Committee indicating the position to-date.

[Lok Sabha Sectt. O.M. No. 3|9|1|ECII|71, dated 3-7-72].

### **Further Reply of Government**

H.M.T. Bangalore had been issued a Letter of Intent on 25th July, 1970 for grant of industrial licence to undertake the manufacture of Zetor-2011/2511 (20 hp) agricultural tractors with a capacity of 12,000 nos. per annum in collaboration with M/s. MOTOKOV of Czechoslovakia by utilising the spare engineering capacity available at their unit at Pinjore (Haryana). Their final collaboration agreement with M/s. MOTOKOV was taken on record on 20th March, 1971 and their Letter of Intent was converted into an industrial licence on 4th March, 1972. They started assembly of imported packs of Zetor tractors on 13th May, 1971. They have assembled all the 2,250 Zetor-2011 tractors imported by them in SKD condition. The initial shipment of 500 CKD packs with 32.5 per cent deletions of Zetor-2011 tractors is expected shortly. They have

2614 LS—72—2.



already established indigenous sources for 32.5 per cent deletions and are taking action to establish such sources for the additional components required to raise the indigenous content to 45 per cent.

[Ministry of Agriculture O.M. No. 15-25/72-MY(S), dated 1-8-72].

### **Recommendation (Serial No. 10, Para 2.55)**

The Committee note that the question of fixing prices of tractors is under examination by the Bureau of Industrial Prices and Costs and their Report is awaited. While considering the matter in its various aspects on the basis of that Report, the Committee have no doubt that Government would bear in mind that tractors of the same horse power, though of different makes should have comparable prices. In any case, the difference in their prices should be as narrow as possible.

### **Reply of Government**

The Bureau of Industrial Prices and Costs has since submitted its report and the Government have announced the revised prices for tractors. The principle that tractors of the same horse power should have comparable prices was kept in view by the Bureau while recommending the selling prices of such tractors.

[Ministry of Agriculture O.M. No. 8-1/71-MY(C&A), dated 9-6-72].

### **Further Information Called for by the Committee**

Please state revised prices announced for the tractors and how for these are comparable with the prices of different tractors of corresponding makes made in foreign countries.

[Lok Sabha Sectt. O.M. No. 3/9/1/ECH/71, dated 3-7-72].

### **Further Reply of Government**

The revised sale prices of agricultural tractors were announced by the Government of India on 11th February, 1972. A copy of the Notification is attached (Appendix I).

Information about the selling prices of tractors in the International market is not available with Government. The notified selling prices of indigenous tractors and the C & F prices of the

comparable models of tractors which have been imported in the recent past are as under:—

Indigenous Model	Selling price F.O.R. Designation (Rs.)	Imported Model	C&F price (Rs.)	Approximate (Selling Prices)
I	2	3	4	5
1. Hindustan (50HP)	32,900	IMT-555(SKD)	15,557	Rs. 23,735*
Hindustan (50HP)		Zetor-5511 (Fully Built)	17,680	} 22,039** to 26,940**
		(SKD)	17,173	
		MF-135 (SKD)	21,408	31,649*
		Byelarus	13,500 (CIF)	17,300 (Provisional)**
		U-650	19,650	24,194*
2. Hindustan (35HP)	24,100	IMT-533(35HP) (SKD)	10,215	26,158*
3. International (35HP)	25,200	IH-276(35HP) (SKD)	16,300	27,460*
4. MF-1035(35HP)	26,300			
5. Escort-37 (34.5)	25,200			
6. Eicher (26.5HP)	25,200			

\* Ex-factory.

\*\*Prices of these tractors differ from State to State and consignment to consignment. These are approximate prices.

[Ministry of Agriculture O. M. No. 15-25/72 MY (S) dated 1-8-72].

### Recommendation (Serial No. 11 Para 2.56)

The Committee further suggest that prices of tractors should be kept under close watch and procedures should be devised for getting the prices reviewed periodically.

### Reply of Government

The agricultural wheeled tractors have been brought under the ambit of the Essential Commodities Act, 1955 and the prices of tractors are fixed from time to time under the Tractors Price Control Order,

1967. Periodical reviews have also been taken up since then and prices fixed suitably.

[Ministry of Agriculture O.M. No. 8-1/71-MY(C&A), dated the 9th June, 1972].

**Recommendation (Serial No. 12, Para 2.57)**

The Committee are distressed to note the complaint of manufacturers that they cannot produce tractors according to their capacity because of the shortage of raw materials particularly steel. The Committee recommend that Government should ensure that the production of tractors does not suffer for want of raw materials.

**Reply of Government**

As tractor industry is included in the list of priority industries, it is ensured that the tractor manufacturers obtain their full requirements of raw materials so that production will not suffer on this account. No complaints have recently been received from any of the manufacturers regarding inadequacy of raw materials for production of tractors.

[Ministry of Agriculture O.M. No. 8-1/71-MY(C&A), dated the 15th June, 1972].

**Recommendation (Serial No. 14, Para 2.61)**

The Committee further suggest that full advantage should be taken of economies of scale, intensive utilisation of manufacturing equipment and machinery by introducing multiple shifts, strict cost accounting and vigilance to bring down the cost.

**Reply of Government**

As already mentioned in reply to para 2.57, tractor industry has been included in the priority industry (Core) and all possible assistance is being given to this industry to the maximum possible extent to step up the production of tractors. They are also allowed foreign exchange assistance to enable them to increase their production to the extent of licenced capacity.

[Ministry of Agriculture O.M. No. 8-1/71-MY (C&A), dated the 15th June, 1972].

**Recommendation (Serial No. 15 Para 2.64)**

The Committee need hardly stress the importance of ancillary industries to meet the increasing demand of components for tractors. They note that in order to give fillip to the rapid development of industries manufacturing ancillaries for tractors, automobiles, etc. ban on creation of additional capacity in such industries was removed in September, 1969. Government should ensure that ancillary industries to feed the requisite components to the tractor and automobile industries etc. are developed without any delay. In particular, a detailed analysis should be carried out of the requirements of components for the tractor industry to attain their annual and Five Year Plan programme and concrete measures taken to see that the ancillary industries have the requisite manufacturing capacity to supply these components on assured and regular basis to match the tractor manufacturing programme.

**Reply of Government**

The Development Council on Automobile, Automobile Ancillary, Tractors etc. have estimated the various requirements of Ancillary items by 1973-74. (This estimate also covers the requirements of Tractors by 1973-74). Taking this into consideration the Govt. of India issued a Press Note on 25th October, 1969 calling for the promising entrepreneurs to set up industries for the manufacture of automobile and tractor parts. Since then about 350 applications have been received and processed for various Auto. Anc. items for the issuance of the industrial licence/Registration.

The applications so far recommended would meet the requirements of the various automobile ancillary.

[Ministry of Agriculture O.M. No. 8-1/71-MY (C&A) dated 29-3-72].

**Further Information called for by the Committee**

Please state the actual position regarding the manufacture of tractor components/parts by the ancillary units set up for the purpose and whether the demand is being met in full.

[Lok Sabha Sectt. O.M. No. 3/91/ECH/71, dt. 3-7-72].

**Further Reply of Government**

As already stated, a large number of letters of intent have been granted to promising entrepreneurs to set up industries for the manu-

facture of automobile and tractor parts. While issuing letters of intent the total requirements of the automobile and tractor industry has been kept in view. Periodical reviews are made to watch the progress made in the manufacture of the components by these entrepreneurs with a view to ensuring adequate availability to the automobile and tractor industry. So far as the tractor industry is concerned, any shortfall in the supply of components from the indigenous industry is made good by permitting imports as the tractor industry is included in the list of priority|core industries. It would thus be seen that delay in the availability of tractor parts is not allowed to affect the production of tractors.

[Ministry of Agriculture O.M. No. 15-25|72-MY.(S) dated 1-8-1972].

### **Comments of the Committee**

The Committee are of the view that while making periodical reviews of the progress made in the manufacture of components the Ministry should issue letters of intent to new entrepreneurs in replacement of those who fail to set up industries for the manufacture of automobile and tractor parts. Government should make concerted efforts to encourage indigenous production of components so that tractor and automobile parts are no longer required to be imported from abroad.

### **Recommendation (Serial No. 16, Para 2.65)**

The Committee feel that unless there is proper coordination between the production programme of tractor manufacturing units and the ancillary units producing components, the production programme for tractors would continue to suffer.

### **Reply of Government**

The Committee's recommendations with regard to the need for proper coordination between production programme of tractor manufacturing units and the ancillary units producing components have been accepted.

As pointed out in para 2.64, Government have estimated the requirements of ancillary items for tractor manufacturing units and are taking steps for meeting the same.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 9th  
June, 1972].

**Recommendation (Serial No. 17, Para 2.66)**

In the interest of achieving import substitution to the maximum extent possible, the Committee suggest that all possible encouragement should be given to the ancillary industries to produce those components which are still being imported from abroad.

**Reply of Government**

As already pointed out in reply to para 2.64, all possible encouragement is given to the ancillary industries for production of these components which are still being imported from abroad.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 9th June, 1972].

**Recommendation (Serial No. 19, Para 2.72)**

The Committee feel that it is high time that the functions of Agro-Industries Corporations are clearly defined in so far as after-sale service to tractors is concerned. As far as indigenous tractors are concerned, the responsibility for rendering after-sales service should by and large be of the tractor manufacturers themselves. The Committee, are however, of the view that Agro-Industries Corporations must take full responsibility for arranging adequate facilities for servicing the tractors which are being imported by State Trading Corporation from foreign countries to meet the present shortages as they are the sole agents for distribution and sale of those imported tractors. The Committee stress the need for having adequate number of service outlets in the interior of the country so as to ensure that the maintenance and running of tractors do not suffer for want of maintenance facilities.

**Reply of Government**

The Govt. accepts the recommendations of the Committee. Instructions (Appendix II) have been issued to all the Agro-Industries Corporations that they should strengthen, equip and organise after-sale service facilities for tractors. Some of the State Agro-Industries Corporations (e.g. Punjab & Haryana) have already taken steps to provide mobile workshop facilities to the farmers in the interior.

[Ministry of Agriculture O.M. No. 8-1/7-My. (C&A) dated the 29th March, 1972].

**Recommendation (Serial No. 20, Para 2.73)**

The Committee recommend that Agro-Industries Corporations should also undertake efficient servicing of tractors through mobile workshops which should be fully equipped with tools and spare parts so as to put the tractors back into working condition without any loss of time.

**Reply of Government**

The recommendations of the Committee are accepted. Some of the Corporations like Punjab and Haryana have already organised mobile workshops. The other Corporations are also being instructed to organise mobile workshops fully equipped with tools and spare parts.

[Ministry of Agriculture O.M. No. 8-1/71-MY. (C&A), dated the 29th March, 1972].

**Recommendation (Serial No. 21, Para 3.12)**

While the Committee agree that on account of varied soil topography and crops cultivated in different parts of the country, the imports cannot be restricted to one or two makes of tractors, the Committee are of the view that indiscriminate import of various types of tractors for which there are no firm programmes for indigenous manufacture may in the long run cause harm to the country's economy. Government should ordinarily limit the import to those makes of tractors which are being manufactured in India or for which concrete plans are well on the way of implementation for manufacture of the tractors in India by a specified date and according to approved programme. The Committee would also like to be assured that the tractors being imported are of proven suitability to Indian conditions.

**Reply of Government**

The recommendations of the Committee have been accepted. The Government has decided that subject to availability of foreign exchange, only such tractors as have an approved manufacturing programme in the country, would be allowed for imports. Tractors in h.p. ranges of 20-25 and 50-65 will be imported. The policy would go a long way in restricting the import of tractors to limited no. of makes only.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 29th March, 1972]

### **Recommendation (Serial No. 22, Para 3.13)**

The Committee are of the view that if import of a large variety of tractors continues, a stage might come when for want of vital spares appreciable number of tractors would become inoperative resulting in the blocking of hard earned capital of farmers. This would retard not only the pace of the green revolution but would also tend to develop resistance to farm mechanisation.

### **Reply of Government**

The recommendations of the Committee have been accepted. The Government has decided that subject to availability of foreign exchange, only such tractors as have an approved manufacturing programme in the country would be allowed for import. Tractors in h.p. ranges of 20-25 and 50-65 will be imported. The policy would go a long way in restricting the import of tractors to limited makes only. With a view to ensuring smooth running of tractors, import of spare parts to the extent of 10-15 per cent is allowed along with the tractors. Import of spare parts is allowed liberally for those tractors also which were imported in the past.

[Ministry of Agriculture O.M. No. 8-1|71-My. (C&A) dated the 29th March, 1972].

### **Recommendation (Serial No. 23, Para 3.14)**

The Committee further suggest that the policy of importing tractors free of customs duty may be reviewed having regard to the fact that imported tractors sell at a cheaper price than the indigenously manufactured tractors and this naturally has adverse repercussions on the demand and development programme of tractor industry in the country.

### **Reply of Government**

Tractors imported from abroad are now liable to a basic customs duty of 30 per cent *ad valorem*. In addition, tractors imported from abroad are liable to an additional duty (countervailing duty) equal to the excise duty leviable on indigenous tractors by virtue of Section 2A of the Indian Tariff Act, 1934. Recently another charge of 2½ per cent has been levied on all imports. These measures are expected to boost up the indigenous industry.

[Ministry of Agriculture O.M. No. 8-1|71-My. (C&A) dated the 29th March, 1972].



### **Recommendation (Serial No. 24, Para 3.48)**

The Committee note that the Test Report on Implement Carrier RS-0902 fitted with 18.4 h.p. engine which was tested at the Tractor Training and Testing Station, Budni, to assess its suitability and performance characteristics under general farming conditions in the country, *inter alia* high lighted the following deficiencies in the Tractor:—

“The operator seat being located at comparatively higher position is not easily accessible. All controls are located near the steering wheel and look to be crowded but are within the easy reach of the operator.

The engine power for puddling operation is considered to be inadequate. The firm states that another engine developing 25 h.p. is offered by the manufacturers as optional prime-mover. This engine fits on the same mounting. The implement Carrier fitted with 25 h.p. engine would be suitably powered unit for puddling operation.”

#### **Reply of Government**

This para contains extracts from the Test Report on the Implement Carrier RS09-2 (and not RS-0902 as mentioned in the report) and no action is called for.

[Ministry of Agriculture O.M. No. 8-1|71-My. (C&A) dated the 29th March, 1972].

### **Recommendation (Serial No. 25, Para 3.49)**

The Committee also note that RS-09 tractor of 18.4 h.p. with 2 cylinders which was tested at Budni Tractor Training and Testing Station in 1965 is different from RS-09 tractors imported from the German Democratic Republic. The differences between the tractors tested at Budni and those actually imported as pointed out by the Technical Team who undertook the inspection of these tractors are reproduced in para 3.26 of the Report.

#### **Reply of Government**

No action is called for on this para.

[Ministry of Agriculture O.M. No. 8-1|71-My. (C&A) dated the 29th March, 1972].

### **Recommendation (Serial No. 26, Para 3.50)**

The Committee are distressed to note that RS-09 tractor which was tested at Budni Tractor Training and Testing Station is different from RS-09 tractor imported from the German Democratic Republic. The Committee consider this as a very serious matter as the import and licensing policy was decided on the basis of these tests. It passes the comprehension of the Committee as to how such large scale imports of the modified tractors, with a number of shortcomings| defects as listed above, and without an established manufacturing programme within the country, were allowed to be imported without conducting full and thorough trials. The Committee, therefore, urge that Government should investigate the whole matter and fix responsibility as to why thorough tests were not carried out on the modified RS-09 tractors and why tractors with different specifications were allowed to be imported in the country.

#### **Reply of Government**

The matter is under consideration of the Government.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A), dated the 15th June, 1972].

#### **Further Information called for by the Committee**

It has been stated that the matter is under consideration of Government. Please state precisely where exactly the matter stands. It may also be stated as to what steps have been taken to investigate the whole matter and fix responsibility. A note bringing out all the facts may be furnished for information of the Committee.

[Lok Sabha Sectt. O.M. No. 3|9|1|ECII|71, dated 3rd July, 1972].

#### **Further Reply of Government**

The case pertaining to the preliminary enquiry into the RS-09 tractors has been entrusted to the Central Bureau of Investigation. The investigation by the C.B.I. normally takes time. However, it has been asked to inform this Ministry as to when the report of investigation is likely to become available. Further action will be taken in the light of the report of the CBI.

[Ministry of Agriculture O.M. No. 15-25/72-My. (S), dated 1st August, 1972].

#### **Comments of the Committee**

The Committee trust that on the basis of the Report of Central Bureau of Investigation Government will take expeditious action to fix responsibility on guilty persons.

**Recommendation (Serial No. 30, Para 3.54)**

Government should ensure implementation in letter and spirit of the Agreement and also see that the farmers who purchased the tractors are paid the due amount without delay. In settling the amount the Committee have no doubt that the Government would keep in mind the fact that the farmers who invested their precious money in these tractors suffered as they were not able to put these tractors to productive use.

**Reply of Government**

All possible efforts are being made by the Government of India to ensure implementation of the protocol and also to the payment of due amounts to the RS-09 tractor owners.

[Ministry of Agriculture O.M. No. 8-1/71-MY. (C&A), dated the 29th March, 1972].

**Further Information called for by the Committee**

Please state the present position regarding payment of amounts to the RS-09 Tractor owners.

[Lok Sabha Sectt. O.M. No. 3/9/1/ECII/71 dated 3rd July, 1972]

**Further Reply of Government**

The following amounts are reported to have been paid to the various State Agro-Industries Corporations for the return of RS-09 tractors by the GDR Suppliers' Agents in India:—

Name of the Corporation	Amount paid
	Rs.
Andhra Pradesh	2,42,164
Gujarat	11,39,108
Punjab	9,79,541
Rajasthan	1,95,655
<b>TOTAL</b>	<b>26,56,468</b>

According to the information received from the Andhra Pradesh State Agro-Industries Corporation, refund was accorded to all the 28 farmers who were covered under protocol signed on 21st February, 1971. The Rajasthan Corporation has reported that amounts have been disbursed to the owners of 23 RS-09 tractors.

The Gujarat Corporation has reported that it has taken over 250 RS109 tractors from their owners who have already been paid the value of their tractors after taking into account the deductions for the damages or short supply of loose items returned with the tractors etc.

The Mysore Corporation has taken over all the 8 RS-09 tractors sold to farmers by replacing with 6 Zetor-2011 tractors. In the case of the remaining 2 tractors, the cost of tractors had been refunded to the parties/financiers concerned.

The Punjab Corporation has refunded the amount in the case of 80 tractors where the ownership/titleship of tractors was completely transferred.

[Ministry of Agriculture O.M. No. 15-25/72-MY (S) dated the 6th October, 1972].

**Recommendation (Serial No. 31 Para 3.55)**

Government should also ensure that spare parts of RS-09 tractors which were imported at a cost of Rs. 21 lakhs and which are surplus to requirement are returned along with tractors and necessary refund is obtained from the GDR suppliers.

**Reply of Government**

The question about the return of spare parts for RS-09 tractors available with the various State Agro-Industries Corporations is under negotiations with the GDR Suppliers' representatives. The recommendation would be kept in view while negotiating further with the GDR Suppliers.

[Ministry of Agriculture O.M. No. 8-1/71-MY. (C&A), dated .... the 29th March, 1972].

**Recommendation (Serial No. 32 Para 3.56)**

The Committee trust that suitable remedial measures would be taken in the light of the findings of the Technical Committee appointed by Government to go into the question as to whether the manner of testing these tractors at Budni Centre was proper and whether there was any discernible lapse in conducting the tests.

### Reply of Government

The recommendation of the Estimate Committee has been accepted. Necessary steps are being taken to remove any possible deficiencies in the method of testing at present being followed by the Tractor Training & Testing Station, Budni.

[Ministry of Agriculture O.M. No. 8-1/71-MY (C&A), dated the 15th June, 1972].

#### Recommendation (Serial No. 36 Para 4.26)

The Committee feel that power-tiller is going to play a useful role in the agricultural economy of the country in view of its suitability for small Agricultural holdings particularly in the paddy-growing and hilly areas. They, therefore, suggest that Government should make concerted efforts to make the power-tiller known to the common farmer through practical demonstrations and other publicity measures so that it may become popular on its merits of manoeuvrability, utility and suitability. Cooperation of bodies such as Indian Council of Agricultural Research, Agricultural Universities, Demonstration Blocks etc. might be solicited with a view to intensifying efforts to demonstrate the usefulness of the power-tillers.

### Reply of Government

The recommendations of the Committee have been accepted. The Department of Agriculture had so far been operating Centrally Sponsored Schemes for popularisation and demonstration of improved agricultural implements. The work has now been transferred to Indian Council of Agricultural Research who organises national demonstration which include demonstration and popularisation of Agricultural implements. I.C.A.R. will be asked to include the demonstration of power tillers in their scheme.

A short film on power-tillers is also produced by the Films Division, Ministry of Information and Broadcasting for popularising use of power tillers in the country.

[Ministry of Agriculture O.M. No. 8-1/71-MY. (C&A), dated the 29th March, 1972].

#### Recommendation (Serial No. 37 Para 4.27)

The Committee would also recommend that as suggested by the Working Group on Agricultural Machinery and Implements. Government should make it incumbent upon the manufacturers of

power-tillers to arrange supply of complete sets of matching implements to enable the farmers to use them for a wide range of operations.

### **Reply of Government**

The Government agrees that farmers face difficulties in obtaining the matching implements for their power-tillers due to absence of some marketing organisation, though machines and implements are manufactured in the country for a wide range of agricultural operation. Small-scale manufacturers also face problem in marketing their products. The above proposal will not only enable the farmers to get proper implements but also be helpful to manufacturers in selling their products.

There are only a few manufacturers of power-tillers in India. They are also manufacturing matching implements to cater the need of the farmers. They will, however, be asked to manufacture sufficient quantity of matching implements to meet the demand of the consumers.

The power-tiller panel which has since been constituted by the power-tiller manufacturers will be informed of this recommendation of the Committee.

[Ministry of Agriculture O.M. No. 8-1/71-MY. (C&A), dated the 29th March, 1972].

### **Recommendation (Serial No. 38 Para 4.49)**

The Committee note that the discs are imported though the S.T.C. who distribute them through the Agro-Industries Corporations and in view of the liberalised policy in regard to import of steel, the number of discs to be imported are being reduced. The Committee also note that due to shortage of steel, the implement manufacturers are obliged to buy steel from the open market at a higher price with the result that the cost of the discs manufacturers in India is much higher than the cost of the imported discs. The Committee recommended that Government should take necessary steps to ensure that the steel requirements of the implement manufacturers are adequately met so that they may be able to produce discs in larger numbers and at lesser price.

### **Reply of Government**

It has since been decided not to resort to any more imports of discs. All the firms registered with DGTD and who were qualified

have been recommended import licences for the import of high carbon steel plates required for the manufacture of agricultural discs. Government are not aware if these manufacturers are purchasing this steel from open market. Government have taken a view that in future this steel should be canalized through Hindustan Steel Ltd. With this step, it is felt that adequate raw material would be made available to all such firms in future whether in the small-scale or in the large-scale sector.

[Ministry of Agriculture O.M. No. 8-1/71-MY. (C&A), dated the 29th March, 1972].

#### **Recommendation (Serial No. 39 Para 4.50)**

The Committee note that the indigenous manufacturers of discs had produced 40,927 units during the year 1969 and 62,170 units during the year 1970 against the capacity of 11,10,000 units. The shortfall in production was primarily due to non-availability of raw material notably the steel sheets.

#### **Reply of Government**

The production of discs in the organised sector was 45,582 nos. during the year 1969 and 80,714 nos. during the year 1970. The capacity of 1,11,000 nos., is the total figure that is registered against 9 units. Out of these 9 units, only 6 are at present in the organized sector as 3 units of them have been transferred to small-scale due to their investment in plant and machinery being less than Rs. 7.5 lakhs. Thus total registered capacity for these 6 units is for 6.60 lakhs nos. only. The installed capacity of all the 9 units was for 4.95 lakhs and in case of 6 units, it was 3.80 lakhs nos. Import licence to these units were recommended for importing raw material. Some of these units could not import raw material in time. Therefore, production did not commence; hence gap between production and the installed capacity.

[Ministry of Agriculture O.M. No. 8-1/71-MY. (C&A), dated the 29th March, 1972].

#### **Recommendation (Serial No. 42 Para 4.53)**

The Committee have no doubt that keeping in view the general policy of Government to attain self-reliance and encouraging indigenous production particularly in the key industry of agricultural machinery and equipment, Government would ensure that raw materials for discs manufacture are made available on assured basis either from indigenous resources or by import.

### **Reply of Government**

The requirement of raw-material to be imported is for agricultural discs only. Adequate licences are being issued to the firm so as to take care of their requirements.

[Ministry of Agriculture O.M. No. F. 8-1/71-My. (C&A) dated the 29th March, 1972].

### **Recommendation (Serial No. 44 Para No. 4.55)**

The Committee note that Government have already taken action to do cost analysis of a few manufacturers and they hope that effective action would be taken to ensure that discs of proven quality and dependable performance are made available to the Agriculturists at most competitive rates.

### **Reply of Government**

All the disc manufacturers have been asked to manufacture discs according to all standards laid down. As regards the price, there is no price control on the selling of discs. As the adequate number of firms are manufacturing discs, including in the small-scale sector, there may not be any need for price control.

[Ministry of Agriculture O.M. No. F. 8-1/71-My. (C&A) dated the 29th March, 1972].

### **Recommendation (Serial No. 45 Para 4.77)**

The Committee note that the representative of the Department of Industrial Development has stated during evidence that production of agricultural implements is reserved for the small scale sector and Tractor manufacturers are strictly forbidden to manufacture the implements. It has also been stated during evidence that in Uttar Pradesh and Rajasthan, the Agro-Industries Corporations are producing agricultural implements which are sold at higher prices along with the imported tractors. The Committee would like Government to examine the whole matter afresh and lay down a definite policy with regard to the manufacture of agricultural implements.

### **Reply of Government**

The Ministry of Industrial Development has informed that it has accepted the recommendation of the Estimates Committee that the whole question of production and marketing of agricultural imple-



ments should be examined afresh to lay down a definite policy regarding the fixation of prices of Agricultural Implements.

[Ministry of Agriculture O.M. No. 15-25/72-My. (S) dated 6th October, 1972].

**Recommendation (Serial No. 46, Para 4.78)**

The Committee also suggested that Government should immediately examine the desirability of allowing manufacturers to import proto-types of latest agricultural implements from abroad, so that they may be able to produce improved implements indigenously. The Committee would also urge the need for intensification of research and development and also the need for ensuring that farmers get implements at most competitive rates to encourage their use.

**Reply of Government**

This Ministry recommends import of proto-types of latest agricultural implements and machines which the manufacturers want to import. The manufacturers are first requested to arrange their tests at Budni and if these machines are found useful then the question of their manufacturing is taken up.

I.C.A.R. has taken steps to intensify research on Farm Implements and Machinery. Attention is invited to Government's reply on recommendation No. 6.44.

During the Third Five Year Plan subsidy was given on Agricultural implements in order to popularise them but due to paucity of funds the subsidy on implements had been withdrawn during the Fourth Five Year Plan. Distribution of implements and machines is also being undertaken through the agency of Agro-Industries Corporation so that the farmers got these at most competitive rates.

[Ministry of Agriculture O.M. No. F. 8-1/71-My. (C&A) dated the 29th March, 1972].

**Recommendation (Serial No. 47, Para 4.79)**

The Committee note that considerable efforts have already been initiated to develop and introduce harvesting equipment for which the availability had been unsatisfactory. The Committee also note that harvester combines are being imported from abroad and one firm has been licensed for production of mounted combines. The Committee trust that indigenous production of harvester combines

will be stepped up to obviate imports. The Committee are glad to note that in several states, State Agro-Industries Corporations have initiated marketing of implements manufactured by small-scale manufacturers. The Committee suggest that Agro-Industries Corporations should simultaneously undertake demonstration of improved implements for the benefit of the farmers.

### **Reply of Government**

The recommendations of the Committee have been accepted. Only one unit has been licenced to produce harvester combines which are tractor mounted. No unit has yet been licenced for the manufacture of self-propelled harvester combines, although letter of intent has already been issued to one unit and the Government have under consideration the issue of industrial licence also. There are proposals from some other firms also which are under consideration. In the meantime, it has been considered necessary to study the social and economic consequences of using these machines to make an assessment of the requirement of combines in India on an annual basis for the remaining period of the Fourth Five Year Plan and also the Fifth Five Year Plan period. This study has been entrusted to the National Council of Applied Economic Research. Further action for stepping of indigenous production will be considered in the light of the results of the study.

[Ministry of Agriculture O.M. No. F. 8-1/71-My. (C&A) dated the 29th March, 1972].

### **Recommendation (Serial No. 48, Para 5,26)**

As regards distribution of imported tractors through the agro-Industries Corporations the Committee suggest that this should be done on first-come-first-served basis so as to inspire confidence and obviate chances of complaints of favouritism, discrimination, etc. in the matter of allotment of imported tractors.

### **Reply of Government**

The Government has since promulgated Tractors (Distribution & Sale) Control Order, 1971 on 1st September, 1971. Clause 8 of the Tractors Control Order enjoins sale of tractors to persons in the order in which their names appear in the registers maintained by the dealers.

[Ministry of Agriculture O.M. No. F. 8-1/71-My. (C&A) dated the 29th March, 1972].

**Recommendation (Serial No. 49, Para 5.27)**

The Committee hope that the question of recovery of dues from the defaulters will be vigorously followed up with all State Governments so that necessary legislation in this behalf is enacted at the earliest and the money due to various State Agro-Industries Corporations is not allowed to go into arrears. If sound and strict financial management are introduced in the initial stages it would instil the farmers the healthy habit of honouring promptly the commitments made under the hire-purchase scheme.

**Reply of Government**

The question of recovery of dues from the defaulters is being vigorously pursued with the State Governments and the Agro-Industries Corporations. The State Governments have also been requested to enact suitable legislation so that arrears on this account may be treated as arrears of Land Revenue.

[Ministry of Agriculture O.M. No. F. 8-1/71-My. (C&A) dated the 29th March, 1972].

**Recommendation (Serial No. 50, Para 5.28)**

The Committee note that some Corporations enter into an agreement with the farmer at the time of sale of the tractors but this practice is not uniformly followed by all Corporations. The Committee suggest that a uniform procedure should be laid down in this regard so that the farmer has a written guarantee for assured after-sale service.

**Reply of Government**

Although there is no agreement executed in some of the States, the normal practice is that it is the responsibility of the Agro-Industries Corporations who distribute these tractors to render after-sale service also. The Agro-Industries Corporations are being instructed to introduce uniform practice of executing written agreement assuring the farmer after-sale services. In the very nature of things, the option to enter into this agreement would have to lie with the farmer.

[Ministry of Agriculture O.M. No. F. 8-1/71-My. (C&A) dated the 29th March, 1972].

**Further Information called for by the Committee**

Please state whether the Agro-Industries Corporations have since introduced the Uniform practice of executing written agreements assuring the farmer after-sale services.

[Lok Sabha Sectt. O.M. No. 3/9/1/ECII/71, dated 3-7-1972].

### **Further Reply of Government**

All State Agro-Industries Corporations have been requested to take steps to follow a uniform procedure of executing written agreements assuring the farmers after-sale services. Their replies are awaited.

[Ministry of Agriculture O.M. No. 15-25/72-My. (S), dated 1st August, 1972].

### **Recommendation (Serial No. 51, Para 5.29)**

The Committee note that some Corporations have developed workshops to provide after-sales service and some of them have also pressed into service mobile vans to render repair and maintenance service in the field. The Corporations are also making arrangements with other organisations including those in the private sector to facilitate repair and maintenance of imported tractors. It is imperative that tractors and other agricultural machinery are kept in good and efficient working condition so as to render maximum service and benefits to the agriculturist purchasers. The Committee, therefore, stress that maintenance and repair facilities for tractors and other agricultural machinery should be provided as close to the place of their utilisation as possible. The Committee have no doubt that keeping in view the above objective and the growing extensive use of agricultural machinery and equipment, Government|Corporations would make a coordinated effort, along with other organisations engaged in the same work, to ensure development of adequate number of servicing and repair outlets as close to the place of utilisation of tractors and agricultural machinery as possible. The Committee would suggest in this context that encouragement may be extended to unemployed engineers to set up servicing centres in rural areas, which in course of time are bound to develop into centres for Agro-Industries.

### **Reply of Government**

As pointed out in reply to para 2.72, instructions have been issued to all the Agro-Industries Corporations that they should strengthen, equip and organise after-sale service facilities for tractors. Some of the Agro-Industries Corporations like Punjab and Haryana have already taken steps to provide mobile workshop facilities to the farmers in the interior. A scheme for the self-employment of engineers, technical personnels, diploma holders etc. for the establishment of Agro-Service Centres in rural areas has already been approved by the Government.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 29th March, 1972].

**Recommendation (Serial No. 52, Para 5.30)**

The Committee need hardly stress that the Agro-Industries Corporations should make available adequate quantities of spare parts for imported machinery to facilitate repairs.

**Reply of Government**

With a view to ensuring adequate supply of spare parts of tractors and other allied agricultural machinery, the Ministry of Agriculture has been arranging import of spare parts to the extent of 10—15 per cent along with the tractors etc. Besides, import of spare parts has also been allowed to various established manufacturers, State Agro-Industries Corporations and actual users on an ad-hoc basis.

[Ministry of Agriculture O.M. No. F. 8-1/71-My. (C&A) dated the 29th March, 1972].

**Recommendation (Serial No. 53, Para 6.17)**

The Committee are distressed to note that it usually takes a very long time to complete even one test at the Tractor Training and Testing Station at Budni. There is urgent need for improving testing facilities at Budni so as to facilitate expeditious evaluation of tractors and other agricultural implements. The Committee hope that with the expansion of facilities at Budni and with the opening of sub-centres, the time taken for test will be reduced appreciably.

**Reply of Government**

Steps have already been taken to expand the facilities at Budni and one sub-section has already been set up at Hissar. Another one is proposed to be established. With these steps, the time taken for tests would be reduced.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 29th March, 1972].

**Recommendation (Serial No. 54, Para 6.18)**

The Committee would like that Budni should give a lead in selecting agricultural machines which are best suited to the country's needs and most economical to operate. The Committee would also stress the need for standardisation and would urge that plethora of makes and designs should be avoided.

### Reply of Government

The recommendations of the Committee have been accepted. With the detailed series testing at the Tractor Training & Testing Station, Budni, the Government would be in a position to select agricultural machines best suited to country's needs and economical to operate.

[Ministry of Agriculture O.M. No. F. 8-1/71-My. (C&A) dated 9th June, 1972].

### Recommendation (Serial No. 55, Para 6.19)

The Committee hope that the Tractor Training Centre at Budni will make every endeavour to achieve its objective early and provide a training pool of personnel to operate, maintain and repair tractors and other agricultural implements to meet the increasing demand for machinisation of farming.

### Reply of Government

The recommendation of the Committee has been accepted.

With the increase in demand of tractors and other agricultural machinery in the country, the demand for training in the selection, operation, maintenance and repairs of such machinery has also increased considerably. With a view to increasing the out-turn of trained personnel, a scheme for expansion of training facilities at Budni and Hissar has been sanctioned in 1970. The targets for training at these institutions have been raised from 180 to 480 per year. A third Training Centre is also proposed to be set up in the South and this centre when set up would also go a long way in meeting the requirements of trained personnel particularly in the southern States.

[Ministry of Agriculture O.M. No. F. 8-1/71-My. (C&A) dated 9th June, 1972].

### Recommendation (Serial No. 56, Para 6.20)

The Committee would also like that training facilities available are properly publicised. The Government should also endeavour to set up training and demonstration centres at least one in each State if not each division.

### Reply of Government

Wide publicity is being given through the Press in regard to the training facilities available at the Tractor Training & Testing Sta-

tion, Budni and Tractor Training Centre, Hissar. The training programmes are also advertised and applications invited from eligible candidates for the various training courses.

In addition to the training given by the Tractor Training Centres, some of the Agro-Industries Corporations are also giving in service training to their technical personnel with regard to operation, maintenance and after sale service of tractors and agricultural machinery in their respective States.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 9th June, 1972].

#### **Recommendation (Serial No. 57, Para 6.34)**

The Committee note that field trials on tractors and other matching equipment have been carried out at the Hissar Centre. The Committee, however, suggest that the testing facilities should be augmented at the Hissar Centre so that the testing of equipment may be undertaken at this Centre also with a view to reduce the burden on the Budni Centre. The Committee are glad to note that new equipments had been designed for the benefit of farmers and to boost up mechanised farming. The Committee would like that these activities are intensified to enhance the benefits to the farmer.

#### **Reply of Government**

With a view to augmenting the testing facilities, a regional testing sub-station has since been set up at the Tractor Training Centre, Hissar. With the expansion of testing facilities at Hissar and the proposed establishment of a third training Centre in the South, Budni Station will be relieved of testing work to some extent.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated 9th June, 1972].

#### **Recommendation (Serial No. 58, Para 6.38)**

While deciding the location of the Third Training and Testing Centre to be set up during the Fourth Five Year Plan, Government should explore the possibility of setting it up in Rice growing area to test tractors and other Agricultural equipment required for paddy farming. The Committee hope that the Government will also ensure that water will be available in plenty at the site of the new centre so that the difficulties encountered at the Hissar Centre due to short supply of water may be obviated.

### **Reply of Government**

The Committee's recommendations would be kept in view while finalising the site for the Third Centre.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 29th March, 1972].

### **Recommendation (Serial No. 59, Para 6.39)**

The Committee further suggest that Government should ensure that the new Centre renders effective service and is able to share the functions and responsibilities of the existing two centres.

### **Reply of Government**

All possible steps would be taken to ensure that the new centre when set up renders effective support in the field of training and testing and reduces the burden on the existing centres at Budni and Hissar.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 9th June, 1972].

### **Recommendation (Serial No. 60, Para 6.44)**

The Committee hope that the research efforts at the various research centres will be continued vigorously and there will be greater emphasis on the development of agricultural machinery and implements which would help the farmer to increase production.

### **Reply of Government**

Efforts are being made to intensify research in the development of agricultural machinery. A coordinated scheme for design and development of agricultural machinery and implements has been taken up. A scheme for studies on Energy requirements in intensive agricultural programme has also been sanctioned at selected centres. The Agricultural Engineering Departments in Agricultural Universities are being strengthened and besides education and extension, research would also be given adequate attention. Scheme for studies for Research on Post-harvest technology is also under consideration. Prize award competitions for outstanding contributions in the development of farm machinery are also being conducted by ICAR. Research studies on engineering aspects of open wells and tube-wells have also been implemented at five centres.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 29th March, 1972].



### **Recommendation (Serial No. 61, Para 6.45)**

The Committee suggest that Government should give due consideration to bringing about full coordination among the various Research Centres in the country so that the results of experiments carried out on a particular equipment at one centre are transmitted to other centres automatically.

### **Reply of Government**

The ICAR has implemented a few coordinated projects (as indicated in para 6.44) and in each of them experienced senior Research Engineers would be working as Coordinators. They will visit the different centres and coordinate the technical programme of work and its progress. The ICAR is getting quarterly progress reports with important achievements from the different research centres and the progress achieved at each one of them is examined. ICAR also organises an annual workshop of Research Engineers wherein Research Engineers from the Agricultural Universities, Central Institutes and the State Governments participate to review the progress of work carried out at different centres and also to plan out the programme of work for the succeeding year. The proceedings of the Workshops which contain a lot of valuable technical information are communicated to all the Universities, the State Governments, the Central Institutes for their information and guidance. The progress of research is also considered at the meetings of the Scientific Panel for Agricultural engineering also. Thus cooperative steps are being taken to bring out full coordination. These efforts will be intensified in future.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 29th March, 1972].

### **Recommendation (Serial No. 62, Para 6.46)**

The Committee need hardly stress that it should be ensured that useful information available at these research centres is made available to the manufacturers of agricultural machinery without difficulty so that improved types of machines and implements are produced in the country simultaneously. The Committee would also stress the need for intensifying research especially in small farm

machinery and also for coordinating activities of Research Institutions|Universities|Extension Services to avoid unnecessary overlapping. Steps should also be taken towards standardisation of machinery and equipment and only those should be selected which are most suited to Indian agricultural conditions and are economic in operation.

### **Reply of Government**

With regards to making available the research results to manufacturers of agricultural machinery, research centres keep close touch with the manufacturers of agricultural machinery of the respective areas. The manufacturing drawings are also made out by the research engineers and are made available to the manufacturers. Technical assistance is also provided by our engineers to the manufacturers who have taken up the production of some of the new implements. The ICAR has also recently obtained the drawings of the selected improved agricultural implements evolved at different centres and have made the same available to the National Research Development Corporation, who in turn have produced blue-prints of these drawings and have given wide publicity on the availability of improved agricultural machinery in different centres. This type of close liaison with manufacturers would be intensified in future.

With regards to standardisation of machinery, this is being done by the Agricultural Finance Corporation has made any headway and constituted a number of technical working groups for preparing the draft standards for various agricultural implements and machinery. Draft standards specifications have already been prepared for several agricultural implements and machinery.

This recommendation of the Estimates Committee is also being forwarded to the Indian Standards Institution for their information.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 29th March, 1972].

### **Recommendation (Serial No. 63, Para 7.5)**

The Committee hope that the study undertaken by the Agricultural Finance Corporation regarding loan procedures adopted by the Commercial Banks for agriculture will be completed expeditiously so that the commercial banks may be able to play an effective role in helping the agricultural machinery and implements industry in securing adequate credit facilities.

## **Reply of Government**

The Agricultural Finance Corporation has finalised the arrangements for undertaking a study of the procedures in the Commercial Banks for financing agriculture. The study is contemplated to be undertaken by the Corporation itself. The Corporation is likely to take a minimum of six months for the completion of the study.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 29th March, 1972].

### **Further Information Called For By The Committee**

Please state whether the study contemplated to be undertaken by the Agricultural Finance Corporation has made any headway and if so, what exactly is the latest position. It is desirable that a speedier action is taken in this regard.

[Lok Sabha Sectt. O.M. No. 3|9|1||ECII|71, dated the 3rd July, 1972].

### **Further Reply of Government**

The Study on Banks' Procedures for Financing Agriculture has been initiated and the study of representative banks in Maharashtra and Tamil Nadu have been completed.

At present the field study is in progress in Gujarat and Rajasthan.

The Agricultural Finance Corporation expect to cover Madhya Pradesh, Bihar and Mysore by the end of October, 1972.

All efforts are being made to complete the study at the earliest.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 1st August, 1972].

### **Recommendations (Serial No. 64, Para 7.12)**

The Committee regret to note that raw materials particularly iron and steel were not made available in sufficient quantities to the agricultural implements manufacturers and they were compelled to purchase their requirements in the open market at exorbitant prices. The short supply of essential raw materials is also bound to effect the exports of these implements to foreign markets. The Committee would like the Government to ensure that iron and steel of requisite quality is supplied to the manufacturers of agricultural implements in sufficient quantity and in time, and to give the highest priority to it so that the country may become self-sufficient in this crucial sector.

### Reply of Government

1. Although same difficulty is being experienced by implements manufacturers in obtaining Iron & Steel, all efforts are being made to meet their requirements to the extent possible.

2. As far as the units borne on the list of D.G.T.D. for the manufacture of agricultural implements are concerned, all possible assistance is being given by way of permitting the import of required type of raw material which are not being produced in the country. In terms of the import licencing policy, the import of high carbon steel sheets has been canalised through M/s. Hindustan Steel Ltd. and there has been a delay in supplying this raw material to disc manufacturers. This delay was due to the initial time taken for establishing the source of supply from the foreign market. When once the supply is established this delay could be naturally avoided. This industry is covered under the priority sector and the requirement of raw material is also recommended to each manufacturer based on the need and not on the licensed capacity.

3. Bulk allocations of raw materials for small-scale industries are made to the various State Governments by the office of D.C. (SSI), who in turn distribute the material to the individual units. Due considerations are given by the State Director of Industries while allotting the scarce raw materials allocated to them to the priority industries. Agricultural implement industry has been brought under priority category and hence they are getting due consideration in the allotment of indigenous scarce raw materials allotted to the State Governments. As this industry comes under priority category, they are also eligible to import their raw materials and get repeat licences on the basis of their past consumption.

4. The indents for priority supplies of iron and steel for manufacture of agricultural implements are also received by the Ministry of Agriculture from the State Agro-Industries Corporations and State Directors of Agriculture where such priorities are needed. These indents are sponsored to the J.P.C. for consideration at the meeting of the S.P.C. Necessary allocations are made by them.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A), dated the 15th June, 1972].

### Recommendation (Serial No. 65, Para 7.13)

The Committee note that Government have taken steps to liberalise the import of steel so that industry may not suffer on account of

non-availability of such raw materials. The Committee, however, need hardly stress the desirability of increasing indigenous production of iron and steel as dependence on imports for a long time to meet the shortage of iron and steel would not be in the interests of the country. They, therefore, suggest that vigorous efforts should be made by Government to step up the production of all types of steel needed different industries in the country.

### Reply of Government

The Ministry of Steel and Mines (Department of Steel) has intimated the position in respect of the above recommendation as under:—

#### 1. Hindustan Steel Limited.

Government are aware of the urgent need to step up indigenous production of iron and steel so as to meet shortages of these materials in the country and so as to obviate the necessity for their import to the extent possible. In so far as the Hindustan Steel Limited Plants are concerned, the Management of the Company is taking, within the limitations imposed by the industrial relations situation and certain other difficulties, all possible steps to increase production from their plants. These include improved maintenance of plant and equipment; procurement planning of spares, refractories, locos and other essential materials on a long-term basis; stepping up of capital programmes required to correct imbalance in production facilities; introduction of technological improvements; improving industrial relations and trying to resolve industrial disputes and to prevent sudden stoppages of work and shop-floor indiscipline by mutual discussion; introduction of revised production incentive schemes with a view to encouraging higher production and productivity. A special Task Force has been constituted by the Government for each steel plant at Government level to evaluate its performance periodically, to identify and with problems affecting the working of the plants and to ensure expeditious implementation of the various decisions taken. The performance of the various units and the Company is also reviewed by the Ministry every quarter in association with the Ministry of Finance.

#### 2 Indian Iron and Steel Company:

The production of steel ingots in IISCO during the first eight months of 1971 has been 62 per cent of the rated capacity. With a view to increasing production a vigorous drive has been initiated for better maintenance, technological improvements and provision

of balancing facilities, the lack of which has contributed to decreasing production. A Plan to increase the production of steel ingots by another 0.3 million tonnes is being actively pursued with the Company. Plans have also been formulated for effecting technological improvements and provision of necessary balancing facilities with a view to enabling the Plant to increase their production from the present 0.6 million tonnes to 1 million tonnes of steel ingots.

### 3. Tata Iron and Steel Company.

As far as TISCO is concerned, during the first 8 months of 1971 the Company has produced 84 per cent of its rated capacity. TISCO has also undertaken a Plan for effecting improvements in its balancing facilities and equipment with a view to stabilising and marginally improving the production.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 29th March, 1972].

### Recommendation (Serial No. 66, Para 7.16)

It has been represented to the Committee that the tractor manufacturers are facing a real difficulty in securing tyres and tubes for the tractors that they are manufacturing. The Committee note that Government have recently taken steps to increase the production of tyres and tubes and industrial licences/letters of intent have been issued to a number of manufacturing units for a total capacity of 1837 lakh numbers each of automobile tyres and tubes including tractor tyres and tubes. However, in view of the fact that it would take some time to achieve higher production of tyres and tubes the Committee suggest that Government should streamline the procedure for distribution of tyres and tubes to ensure that the genuine demands of tractor manufacturers and tractor owners are met.

### Reply of Government

There are at present 8 units engaged in the manufacture of automobile tyres and tubes. The automobile tyres cover tyres for bus and truck, Jeep, car, motor-cycle, scooter, tractor, ADV, OTR and Aero. Out of the 8 units there are 6 units which are manufacturing tractor tyres within their overall licenced capacity for auto-

mobile tyres. The production of tractor tyres during the last few years has been as under:—

<i>Year</i>	<i>Production in Nos.</i>
1967	98,885
1968	1,48,977
1969	1,77,553
1970	1,86,466
1971	2,28,579

It will thus be seen from above that the production of tractor tyres has increased considerably. The increase in production during the year 1971 compared to 1967 production is more than 100 per cent. In spite of increase in production for tractor tyres there have been some shortage of tractor tyres particularly for tractors imported from Rupee payment countries. Keeping this in view some imports were permitted to the O.E. manufacturers and actual users through the Ministry of Agriculture and S.T.C. of India. Details of the actual imports are not available in DGTD.

However, steps have been taken for further increase in production of tractor tyres in the country. In this connection, it may be stated that the import licences have been issued to remaining two existing units for undertaking the manufacture of tractor tyres within their overall licenced capacity for automobile tyres. These units are importing plant and equipment and it is expected that within a period of a year or so, these two units viz. M/s. Inchek and Premier Tyres will also be in a position to diversify their production to undertake the manufacture of tractor tyres.

Apart from this various letters of intent have also been issued to the different entrepreneurs for setting up new industrial undertakings for the manufacture of automobile tyres and tubes which also includes tractor tyres and tubes to meet the envisaged increased demand.

In this connection, it may be stated that all categories of automobile tyres and tubes are included in the list of essential commodity under the Essential Commodity Act. The Civil Supply Department of the concerned State can find out ways and means to distribute the tractor tyres to the genuine consumers in their States.

[Ministry of Agriculture O.M. No. 8-1/71-My. (C&A) dated the 29th March, 1972].

### **Recommendation (Serial No. 67, Para 7.20)**

The Committee hope that with the increased imports of spare parts from foreign countries, it would be possible to keep the imported tractors in good running condition. The Committee need hardly stress the desirability of doing advance planning for the import of spares for various types of tractors so that no variety of tractors goes off the road for want of spares.

#### **Reply of Government**

With a view to ensuring adequate supply of spare parts of tractors and other allied agricultural machinery, the Ministry of Agriculture has been arranging import of spare parts to the extent of 10—15 per cent along with the tractors etc. Besides, import of spare parts has also been allowed to various established manufacturers, State Agro-Industries Corporations and actual users on an *ad hoc* basis.

[Ministry of Agriculture O.M. No. F.8-1/71-MY. (C&A) dated the 29th March, 1972].

### **Recommendation (Serial No. 68, Para 7.21)**

After taking into account the annual requirements of spare parts, the Committee suggest that Government should review whether more spare parts should be allowed to be imported along with tractors.

#### **Reply of Government**

The matter is under review.

[Ministry of Agriculture O.M. No. F.8-1/71-MY. (C&A) dated the 29th March, 1972].

#### **Further information called for by the Committee**

Please state what has been the outcome of the review undertaken by Government.

[Lok Sabha Sectt. O.M. No 3|9|1|ECII|71, dated 3-7-1972].

#### **Further Reply of Government**

The matter is already under review in consultation with the State Agro-Industries Corporations. Replies from a few Corporations are still awaited. As soon as their position is also known, the matter will be reviewed and a decision taken.

[Ministry of Agriculture O.M. No. 15-25/72-MY. (S), dt. 1st August, 1972].



## CHAPTER III

### RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLY

#### **Recommendation (Serial No. 13, Para 2.60)**

The Committee feel that if farm mechanisation is to be successfully extended in the interest of increasing agricultural production, it is essential that indigenous tractors should be competitively in quality, performance and price with the best available in the world.

#### **Reply of Government**

While it can be said that the tractors produced in the country could be competitive, both in quality and in performance with the corresponding makes of tractors made in foreign countries, the same could not be said about the prices. The prices of indigenous tractors have tended to be higher than those of corresponding makes in foreign countries because of higher cost of raw materials, components, labour charges and the duties payable on imported components. Recently the selling prices of indigenous tractors have been fixed after a cost examination made by the Bureau of Industrial Costs and Prices.

[Ministry of Agriculture O.M. No. 8-1/71-MY. (C&A), dated 15-6-72].

#### **Further Information called for by the Committee**

What concrete steps have been taken to reduce prices of indigenous tractors so as to make them comparable to tractors imported from abroad.

[Lok Sabha Sectt. O.M. No. 3|9|1|ECII|71, dated 3-7-1972].

#### **Further reply of Government**

Following complaints that the manufacturers and dealers of agricultural tractors in the country were charging high prices for the indigenous tractors, it was considered necessary to determine the fair selling prices of tractors. From the details collected from the tractor manufacturers, it was noticed that the prices charged by them for tractors were *prima facie* high and there was a scope for reduction in the charges under certain heads like assembly charges,

overheads, distribution charges, dealers' commission etc. which went upto a high cost. It was, therefore, decided in December, 1965 that the Cost Accounts Branch of the Ministry of Finance should undertake a cost examination of the tractors manufacturing units and recommend reasonable selling prices of the tractors. This was done and on the basis of their report, the fair selling prices of the various makes of indigenous tractors were fixed. The Tractors (Price) Control Order, 1967 was promulgated on the 30th March, 1967 and the prices of tractors as recommended by the Cost Accounts Branch were notified under that Order. Later on, on the basis of the representations received from some of the tractors manufacturers, prices were fixed on the basis of the enquiry made and report given by the Tariff Commission. The prices so fixed were notified in the Gazette of India and were valid for a period upto 31st March, 1969.

On receipt of representations from tractors manufacturers for increase in prices on account of various factors, it was decided in September, 1970 that a comprehensive investigation of the cost of production of each of the tractor manufacturing units should be carried out afresh by the Bureau of Industrial Costs and Prices. The Government has fixed revised prices of Indigenous tractors after taking into consideration the report of the Bureau. The tractor industry like any other industry is not in a position to control the prices of raw materials and components as well as increases in the wages of labourers. In the circumstances, the only scope left for securing an economy in the overall expenditure incurred on the manufacture of tractors is to allow expansion of the existing units of tractor manufacturers. With this objective in view, the policy of the Government is to encourage proposals from the existing units to expand their production capacity.

[Ministry of Agriculture O.M. No. 15-25/72-MY. (S), dated 1-8-1972].

#### **Recommendation (Serial No. 27, Para 3.51)**

The Committee feel that in view of the findings of the Test Report of 1965 on the Implement Carrier RS-09, Government should have been extremely cautious in selecting a sophisticated machine for use by the ordinary farmers in India who do not ordinarily have any technical background of training to operate such machines. In the Committee's view Government after having taken a decision to import RS-09 tractors should have at least made adequate arrangements for after-sale service and for imparting proper training to the farmers for operating such complicated machines.

## **Reply of Government**

According to the agreement concluded between the STC and the GDR suppliers on 21st December, 1968, for the import of 3,000 RS-09 tractors, arrangements for pre-sale & after-sale services for these tractors were to be made. It was suggested to the various State Agro-Industries Corporations to entrust the pre and after-sale service arrangements for complicated and sophisticated machine like GDR-RS-09 tractor to the Indian agents to ensure proper handling and maintenance as well as training of technicians by the GDR and Indian manufacturers.

[Ministry of Agriculture O.M. No. 8-1/71-MY (C&A) dated the 29th March, 1972].

### **Further information called for by the Committee**

Please state whether the various State Agro-Industries Corporations, who were requested to entrust the pre and after-sale service arrangements for complicated and sophisticated machines like GDR-RS-09 to Indian agents to ensure proper handling and maintenance as well as training of technicians by the G.D.R. and Indian manufacturers actually carried out the instructions and if not, what measures were taken to ensure implementation.

[Lok Sabha Sectt. O.M. No. 3|9|1|ECII|71, dated 3-7-1972].

### **Further Reply of Government**

The concerned State Agro-Industries Corporations were requested to indicate the position in this regard. The replies have been received from the concerned State Agro-Industries Corporations, and the position indicated by them is as under:—

#### *Andhra Pradesh:*

At the suggestion of Government of India, STC, and GDR Trade-Representation, M|s. Indian Agro-Machines were entrusted with the work of rendering pre-sale and after-sale service to the RS-09 tractors in Andhra Pradesh.

But the tractors started giving troubles and the farmers started complaining about the poor pre and after-sale service rendered by the Indian Agro-Machines. Then it was decided by the Corporation on 30th December, 1969 to terminate the agreement with M|s. Indian Agro-Machines about rendering of pre-sale and after-sale service to RS-09 tractors with immediate effect, and the Corporation

took up the above activities completely and started rendering pre-sale and after-sale service to all the RS-09 tractors as per the instructions.

*Rajasthan:*

Corporation sold some of the tractors directly and some through the Indian Agents. For those tractors which were sold directly, servicing was done by the Servicing Organisation of the Corporation since it was well equipped to do so and for the tractors sold through the Indian Agents, the servicing was entrusted to them.

As regards training of the technicians it was carried out by both GDR technicians and the Indian Agents who were stationed at Jaipur and who trained number of technicians of the Corporation to take care of the pre-sale and after-sale service. The GDR technicians were also stationed at Jaipur for a long time for assisting the technicians of the Corporation in repairs and servicing.

*Gujarat:*

The State Agro-Industries Corporation had taken adequate measures to render prompt and efficient pre and after-sale service facilities for GDR RS-09 tractors. It imported spare parts worth Rs. 10 lakhs for RS-09 tractors from GDR. The GDR Authorities had also stationed their technicians under whose supervision pre and after-sale services were rendered on these tractors by the Corporation.

*Mysore:*

Pre and after-sale services of GDR tractors were not entrusted to any Indian agents. Since only 8 tractors were sold, the technical personnel of the Mysore State Agro-Industries Corporation attended to this work.

*Punjab:*

As the Corporation had established a pre-sale servicing centre at Jullundur fully equipped with all requisite tools, machinery and staff and also had set up Service Centres at Jullundur, Sangrur, Bhatinda, Muktsar and Ludhiana supported with 9 Mobile Service Vans for rendering village to village service, and was also doing pre-sale and after-sale servicing of a number of other makes of tractors successfully, it was decided by the Corporation in September, 1969 and again by the Board of Directors in its meeting held

on 7th January, 1970 that the Corporation may render pre and after-sale service of GDR RS-09 tractors itself, with the assistance of GDR technicians. It was also decided by Board to allot after-sale service work of RS-09 tractors to M/s. Indian Agro-Machines, Bombay for the Patiala District and for the blocks uncovered by Corporation in the Gurdaspur and Hoshiarpur District on suitable terms to be settled with the aforesaid firm. The said firm, however, did not undertake the after-sale service for these districts. Further the said Indian Agents were not having any servicing facilities in Punjab. The GDR Technicians remained fully associated with the pre-sale and after-sale servicing of these tractors in Punjab and also carried out the modifications themselves on these tractors.

*Tamil Nadu:*

An agreement for pre and after-sale service arrangements for these tractors was executed with the GDR Trade Representation. A service Engineer from GDR had been posted at Madras to assist the Corporation in the above items of work. From September, 1971, M/s. Espi Agricultural Machineries Pvt. Ltd. Faridabad, New Delhi, have been appointed as their servicing agents for RS-09 tractors and their local branch at Madras is now rendering this assistance.

[Ministry of Agriculture O.M. No. 15-25/72-MY (S) dated the 7th October, 1972].

**Recommendation (Serial No. 33, Para 3.59)**

The Committee note that loan assistance from world Bank|International Development Association is available at present for importing tractors only in relation to specific projects which are a part of integrated agricultural development Projects. In view of the wide gap between the demand and indigenous production of tractors in India, the Committee would like Government to explore the possibility of getting assistance from any other International Financing agency for import of tractors for supplying to the farmers till such time the indigenous production of tractors in India is sufficient to meet the total demand of the country. The Committee hope that it would be possible to utilise the loan to get tractors best suited to the requirements of the country at most competitive rates.

**Reply of Government**

The only other international financing agency giving such assistance is the Asian Development Bank from which Government of India do not borrow at the moment. Hence there is no scope for

getting assistance from any other international financing agency for the import of tractors.

[Ministry of Agriculture O.M. No. 8-1/71-MY (C&A), dated the 9th June, 1972].

### Recommendation (Serial No. 35, Para 4.25)

The Committee note that the Planning Commission in their Report on Tractors and power tillers (1966) had observed that the Power Tiller was specially suited to Small holdings and paddy areas and that there was a great demand for this multipurpose machine. The requirements for the Fourth Five Year Plan were estimated at 40,000 to 50,000 units in the first two years rising to one lakh units per annum by the end of the Fourth Plan. Similarly the Working Group on Agricultural Machinery and Implements had assessed the total demand for power tillers at 2,30,000 upits by the end of 1973-74 rising from 20,000 in 1969-70 to 80,000 units in 1973-74. The Rice Research Institute at Cuttack, who had conducted research using the tractor, power tiller and bullock plough, had also come to the conclusion that the most economic way of preparing the Soil was by the use of power tiller. The Committee regret to note that in spite of the recommendations|observations of these bodies about the usefulness and suitability of power tillers to farmers with small holdings particularly in paddy growing and hilly areas where communication facilities are inadequate, Government have not given any serious consideration to the indigenous manufacture of power tillers.

### Reply of Government

The Working Group on Agricultural Machinery and Implements had assessed the total demand of power tillers at 80,000 by 1973-74. The following firms have already been licenced for the manufacture of power tillers in the country:—

Name of the firm	Make of power tiller	Sanctioned capacity
1. M/s. Krishi Engine Pvt. Ltd., Hyderabad	Krishi	3,000
2. M/s. V. S. T. Tillers Tractors Ltd. Bangalore	Mistubishi	500
3. Kerala Agro-Industries Corpn., Trivendrum	Kubota	12,000
4. M/s. J&K Saroh, Kanpur	Saroh	6,000
5. M/s. Indequip Engg. Co., Ahmedabad	Iseki	10,000
		<u>36,000</u>

The total sanctioned capacity at present is 36,000. Besides three more units have also been either provisionally approved or covered by letters of Intent for the manufacture of power tillers in the country.

According to the requirements received from the various State Agro-Industries Corporations, it has been observed that substantial demand does not exist for power tillers. Some of the power tillers which have recently been imported are still lying unsold with the indigenous manufacturers/Agro-Industries Corporation. The poor off-take of power tillers is mainly due to the fact that they are quite new to Indian conditions and have not become quite popular amongst the farmers in the country.

Government are also taking necessary steps for uncouraging indigenous manufacture of power tillers in the country. With a view to demonstrating the usefulness of power tillers, a film on power tillers is under production for demonstration and publicity purposes. Besides, the Agro-Industries Corporations have also been instructed to popularise the use of power tillers in their respective States.

At the instance of the Planning Commission, the Ministry of Agriculture is also carrying out an independent evaluation and assessment of the performance of various makes of power tillers already working in the country.

[Ministry of Agriculture, O.M. No. 81-1/71-MY (C&A), dated the 15th June, 1972].

#### **Recommendations (Serial Nos. 40 & 41 Paras 4.51 & 4.52)**

The Committee are convinced that had the requirement of steel of the disc manufacturers been met by the Hindustan Steel Limited or had more liberalised import of steel been allowed in time to them, a much larger proportion of disc requirements would have been met by the disc manufacturers. It is regrettable that there was unusual delay in issuing permits for import of Steel or in allotting and supplying indigenous steel to the disc manufacturers.

The Committee are disappointed that Hindustan Steel has not been able to meet even a fraction of the requirements of steel sheets of disc manufacturers with the result that they could not put their production capacity to use. One of the main objectives in setting up the Hindustan Steel in the public sector was to ensure adequate supply of raw materials for our industries. The Committee would like Government to give a high priority to the manufacture and supply in time of steel sheets by the Steel Plants to the disc manufacturers so that the latter can meet in full the demand for discs

and other agricultural implements by the agricultural sector and thereby save precious foreign exchange expended at present on the avoidable import of discs.

### **Reply of Government**

At present almost all categories of steel produced by the main producers including Hindustan Steel Ltd., have been brought within the purview of the Steel Priority Committee. About 85 per cent to 90 per cent of the production of the steel plants is supplied to actual users on the basis of the priorities granted by the SPC on a quarterly basis. The SPC considers the demand of consumers which have been sponsored by the appropriate sponsoring authority in accordance with the prescribed procedure.

All the demands sponsored by the DGTD and the DCSSI are duly considered by the SPC and allocation is made in the context of the overall availability and the competing demands from other priority sectors. However, due to shortfall in production and heavy demand from Defence, Railways, etc., it has not been possible for the SPC to meet in full all demands including those sponsored by the DGTD and the DCSSI. A meeting of all the sponsoring authorities takes place at Calcutta to finalise the priority allocations. Any special importance of particular priority requisitions is brought out at these meetings by the concerned sponsoring authority.

In order to safeguard the interests of the small-scale fabricators and large-scale units, both the DCSSI and the DGTD have been nominated as Members of the Steel Priority Committee. Previously in considering despatches to industries in the small-scale sector, the SPC was giving weightage to requirements routed through the Small Scale Industries Corporation or Raw Materials Departments set up by some State Administrations. It has now been decided to channel despatches of steel to small-scale units through the Small Scale Industries Corporation and Agro-Industries Corporations as far as possible.

There had been a set back in the production of steel recently due to leakage of coke oven gas at Bhilai and the collapse of the roof of the Steel Melting Shop at Rourkela which was one of the major producers of sheets in the country.

Government's policy is fairly liberal for categories in which shortage is felt more and the export of prime steel has been regulated and curtailed with a view to increasing domestic availability. To bridge the additional gap due to the mishaps at Bhilai and Rourkela,



foreign exchange worth Rs. 20 crores had been released for imports. The imports are mostly flat products including sheets, production of which has been affected by the mishaps.

The Alloy Steel Plant, Durgapur is expected to produce about 100 tonnes of High Carbon Steel Sheets in 1972-73 as against 33 tonnes produced during 1971-72. This plant produces stainless steel sheets and other high alloy steel, which is very important for the economy of the country. High carbon steel sheets are not included in the products mix of the A. S. P. Durgapur and their production is only incidental.

[Ministry of Agriculture O.M. No. 8-1/71-MY (C&A) dated 9th June, 1972].

#### **Recommendation (Serial No. 43, Para 4.54)**

Government should also ensure that the raw materials are given to the manufacturers of competitive rates so that the end product can be sold to the agriculturists at competitive rates. The admitted anomaly that the raw materials for indigenous manufacture of discs should have borne a heavier duty than manufactured discs needs to be examined without delay and rectified in the interest of the indigenous industry.

#### **Reply of Government**

The question regarding heavier duty on raw materials used in the manufacture of discs is under examination and the Ministry of Finance (Department of Revenue & Insurance) who are concerned, have called for reports from the Collectors of Central Excise in the various States which are still awaited.

[Ministry of Agriculture O.M. No. 8-1/71-MY (C&A) dated the 9th June, 1972].

#### **Further information called for by the Committee**

It has been stated that the question regarding heavier duty on raw materials used in the manufacture of disc is under examination and the Ministry of Finance (Department of Revenue and Insurance) who are concerned have called for reports from the Collectors of Central Excise in the various States which are still awaited. Please indicate the latest position of the case for the information of the Committee.

[Lok Sabha Sectt. O.M. No. 391/ECII/71, dated 3-7-1972].

**Further reply of Government**

The Ministry of Finance (Deptt. of Revenue & Insurance) has informed that from the reports received from concerned Collectors of Central Excise, it is observed that raw materials do not suffer higher burden of excise duty than that on the finished products *viz.*, discs. The rate of duty, however, depends on the type of raw materials used, *viz.*, ingots, or plates or sheets in as much as these materials attract different rates of duty. In view of this position, if a specific example is given, further enquiry could be made.

[Ministry of Agriculture O.M. No. 15-25/72-MY(S), dated 1st August, 1972].

## CHAPTER IV

### RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

#### **Recommendation (Serial No. 1 Para 1.14)**

The Committee note that the Board of Agricultural Machinery and Implements constituted by Government in the year 1963 made some useful recommendations about the programme of manufacture servicing and maintenance of tractors and other agricultural equipment etc., and rendered useful advice to Government in the matter of import of agricultural machinery for demonstration and for meeting the gap between indigenous production and requirements and measures to be adopted for popularising agricultural implements and machinery and also equitable distribution of agricultural machinery and spare parts thereof at reasonable prices. The Committee, however, consider it regrettable that the Board could not cover the entire scope of its functions due to the fact that it met only four times from 1963 to 1966.

#### **Reply of Government**

The recommendations/conclusions of the Committee have been accepted.

[Ministry of Agriculture O.M. No. 8-1/71-MY(C&A), dated 29-3-72].

#### **Recommendation (Serial No. 2, Para 1.15)**

The Committee hope that the reconstituted Board will meet more often so that it may be able to review the programmes of manufacture, servicing and maintenance of power-tillers, tractors and other agricultural implements and make constructive suggestions for development of the industry engaged in the manufacture of tractors and other agricultural machinery.

#### **Reply of Government**

The recommendations of the Committee have been accepted. It may be pointed out that the reconstituted Board has since met on 13-9-71.

[Ministry of Agriculture O.M. No. 8-1/71-MY(C&A), dated 29-3-72].

### **Further information called for by the Committee**

Please state precisely the number of meetings held by the Board of Agricultural Machinery and Implements since August, 1971 *today* and what precise measures have been taken by the Board to review the programmes of manufacture, servicing and maintenance of power tillers, tractors and other agricultural implements.

[Lok Sabha Sectt. O.M. No. 3|9|1|ECII|71, dated 3-7-1972].

### **Further reply of Government**

The reconstituted Board of Agricultural Machinery has met only once on 13th September, 1971 since August, 1971. The programmes of manufacture, servicing and maintenance of power tillers, tractors and agricultural machinery would be reviewed at the next meeting.

[Ministry of Agriculture Office Memorandum No 15-25/72MY(S) dated 1st August, 1972].

### **Comments of the Committee**

Please see paras 1 to 3 of Chapter I.

### **Recommendation (Serial No. 3, Para 2.19)**

The Committee note that divergent views have been expressed regarding the demand for tractors. While the Working Group on Agricultural Machinery and Implements have estimated the total demand for tractors as 90,000 by 1973-74, the Special Tractor Panel, set up by the Automobile Council, are of the view that not more than 50,000 to 60,000 tractors would be actually needed by the end of the Fourth Plan. This wide gap of 30,000 to 40,000 tractors in assessment of demand would indicate the urgent need for careful, detailed and realistic assessment of the demand survey for tractors. While doing so the Committee hope that Government will keep in view the farmers' preferences, average size of holdings, ceiling on land holdings, capital and running cost of tractors. The demand-survey should also cover power-tillers for paddy regions and in hilly areas.

### **Reply of Government**

The Committee's recommendations with regard to urgent need for careful, detailed and realistic assessment of the demand survey for tractors have been accepted. The work of assessment of demand on a scientific basis has since been entrusted to the National Council of Applied Economic Research

In so far as the demand survey relating to power tillers for paddy regions and in hilly areas as well other areas in the country is concerned, the matter, is under consideration.

[Ministry of Agriculture O.M. No. 8-1/71-MY(C&A), dated 29-3-72].

#### **Further information called for by the Committee**

Please state precisely the progress made by the N.C.A.E.R., in the work of assessment of demand for tractors entrusted to it and the time by which its report would be available. The latest position about the demand survey relating to power tillers for paddy regions and in hilly areas as well as other areas may be indicated.

[Lok Sabha Sectt. O.M. No. 3|9|1|ECII|71, dated 3-7-1972].

#### **Further reply of Government**

The N.C.A.E.R. has reported that field survey work meant essentially for evaluating the economic effects of the mechanised cultivation is in progress and is expected to be completed by the end of August, 1972. Considerable work has also been made in other aspects of the project based on other types of data. The Council expects to send a preliminary report in October, 1972. Regarding the demand survey relating to power tillers, the matter is still under consideration and final decision is likely to be taken shortly.

[Ministry of Agriculture Office Memorandum No. 15-25/72-MY(S) dated 1st August, 1972].

#### **Comments of the Committee**

The Committee regret to note that in spite of the fact that the question of power tillers has been engaging Governments' attention for some years, no decision has been taken so far on having a demand survey for power tillers. The Committee trust that Government will take early decision on this vital question of having a demand survey relating o power tillers for paddy regions and in hilly areas and the work will be entrusted to some competent organisation for the correct appraisal of the total requirements in the country.

#### **Recommendation (Serial No. 6, Para 2.22)**

The Committee suggest that Government should investigate allegations that the same party registers demand simultaneously with a number of suppliers and then sells the tractors at a heavy premium.

Government should devise suitable remedial measures keeping in view the regulatory measures.

### **Reply of Government**

With a view to curbing the possible mal-practice referred to by the Committee, the Government has promulgated Tractors (Distribution and Sale) Control Order, 1971 (Appendix III), with effect from 1st September, 1971. Under this order, a security deposit of Rs. 1,000/- in the Post Office Savings Bank Account has to be made at the time of registration. The Tractors Control Order lays down that no person who has purchased a new tractor shall be permitted to purchase another new tractor until after the expiry of a period of 12 months from the date of purchase except under a permit in writing from the Controller or in a State an Officer appointed for the purpose by the Govt. of that State. Besides, no person shall before the expiry of 2 years from the date when the tractor was first purchased as a new tractor, sell or offer to sell it except under and in accordance with the terms specified under the Control Order. The Control Order has also laid down that a new tractor shall immediately after its purchase be registered by the purchaser with the State authority as may be specified by the State Govt. These measures will go a long way in curbing black-marketing in tractors. In view of this position, Govt. feels that no useful purpose will be served in carrying out investigations as suggested.

[Ministry of Agriculture O.M. No. 8-1/71-MY(C&A), dated 29-3-72].

### **Further information called for by the Committee**

Please state precisely whether the recommendation has been accepted by Government. What are the terms under the Control Order for the resale of a new tractor before expiry of 2 years from the date of its purchase.

[Lok Sabha Sectt. O.M. No. 3|9|1|ECII|71, dated 3-7-72].

### **Further reply of Government . . .**

As already explained in the original reply under the provisions of the Tractors (Distribution and Sale) Control Order, 1971, no person can resell a tractor before the expiry of two years from the date of purchase except with the permission of the Controller at the centre or the appropriate officer. The conditions or terms under which resale within the stipulated period of two years will be permitted by the Controller or other officers have not been specifically spelt out in the Control Order. The intention is that resale would be permitted

taking into account the circumstances of each case. The Controller or other appropriate Officer will take instructions from the appropriate Government in regard to the grant of permission for such re-sale.

Any allegations brought to the notice of Government regarding violation of the relevant provisions of the Control Orders will be duly investigated by Government and necessary action taken against persons found guilty of such violations. However, as already stated it would not be feasible to carry out a general investigation.

[Ministry of Agriculture Office Memorandum No. 15-25/72-MY(S)  
dated 1st August, 1972].

### **Comments of the Committee**

Please see paras 4 to 7 of Chapter I.

### **Recommendations (Serial Nos. 28 & 29 Paras 3.52 & 3.53)**

Further even after carrying out the modifications on RS-09 tractors by the technicians of the supplier firm the reports about their working have not been encouraging. The Committee, however, note that the State Trading Corporation have recently signed a protocol with the G.D.R. suppliers which provides *inter alia* that tractors modified upto the date of signing the protocol would be taken by the supplier firm on the basis of the C&F price at Bombay Port after deducting 8 per cent depreciation. The Committee trust that in this process Government would fully safeguard the interests of the farmers, who have purchased the tractors in good faith from the Agro-Industries Corporations and would provide adequate facilities to them to return their tractors. The period of operation of the Agreement may be got suitably extended so that farmers spread all over the villages get adequate opportunity to avail of it and get full refund for the tractors which they do not want.

The Committee note that GDR representatives during their visit to Jullandur had demanded *ad hoc* deduction of Rs. 6,500 per tractor besides 8 per cent depreciation on the C&F value before undertaking inspection of the tractors. The Committee are surprised that any suggestion for making an *ad hoc* deduction should have been made after an agreement had been reached and a Protocol signed laying down the terms of the Agreement.

### **Reply of Government**

It was reported to the Ministry of Agriculture that the GDR representatives had put a pre-condition for deduction of Rs. 6,500

each RS-09 tractor, besides 8 per cent depreciation on the C&F value. The condition imposed by GDR representatives was not agreed to. However, with a view to resolving the issue, the matter was referred to the Technical Committee as stipulated in the Protocol. The average deduction on account of abnormal repairs are around Rs. 600 per tractor.

[Ministry of Agriculture O.M. No. 8-1/72-MY(C&A) dated  
29-8-72].

**Comments of the Committee**

Please see paras 8 to 11 of Chapter I.



## **CHAPTER V**

### **RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED**

#### **Recommendation (Serial No. 18 Para No. 2.67)**

The Committee hope that Government will ensure that steel and other raw materials needed by the ancillary units for production of components are made available to them on reasonable price and on regular basis.

#### **Reply of Government**

The import of various steel requirements are governed by Appendix 41 of the Important Trade Control Policy.

[Ministry of Agriculture O.M. No. 8-1/71-MY(C&A) dated the  
9th June, 1972].

#### **Further information called for by Committee**

Please state the extent to which the demand for steel and other raw materials needed by ancillary industry for manufacture of components has actually been met during 1971-72 and what measures have been taken to meet the demand in full.

#### **Comments of the Committee**

Further information desired by the Committee may be furnished early.

#### **Recommendation (Serial No. 34 Para 4.24)**

The Committee regret to note that the targets, which have been fixed in regard to the total requirement of power tillers at the end of the Fourth Plan are being revised and reduced by the Government. The fact that only one or two firms have so far gone into production and that the number of power tillers produced by them is small bears sufficient testimony to the fact that the production of power tillers has not been given the serious consideration that it deserves. The Committee would, therefore, urge that Government as well as

extension agencies and firms manufacturing power tillers should intensify promotional work so as to convince the farmer about the usefulness of power tiller. The Committee would also stress that import of power tillers should be strictly linked to indigeneous manufacturing programme. Side by side Government should analyse reasons for small off take of indigeneous power tillers. The Government should also make concerted efforts to improve design, reduce cost of running and maintenance and encourage manufacture of power tillers of proven suitability.

### **Reply of Government**

The recommendations of the Committee have been accepted.

[Ministry of Agriculture O.M. No. 8-1/71-MY(C&A dated the  
9th June, 1972].

### **Future information called for by Committee**

Please state the concrete steps taken in pursuance of this recommendation. A comprehensive note for information of the Committee may be furnished.

### **Comment of the Committee**

Further information desired by the Committee may be furnished early.

### **Recommendation (Serial No. 69 Para 7.22)**

The Committee would like the Government to examine the feasibility and economic viability of manufacturing the spare parts of different imported tractors so that the import of spare parts for these tractors can be eliminated as early as possible. Committee is of the view that there is great need for standardisation to reduce the problem of spares.

### **Reply of Government**

The matter is being examined in consultation with the Ministry of Industrial Development and further reply would be given as soon as the examination is completed.

[Ministry of Agriculture O.M. No. 5-25/72-MY(S), dated 1st  
August, 1972].

**Comment of the Committee**

The question of manufacturing spare parts of different imported tractors may be examined expeditiously and the committee may be apprised of the position early.

NEW DELHI;

December 16, 1972.

Agrahayana 25, 1894 (S).

**KAMAL NATH TEWARI,**

*Chairman,*

*Estimates Committee.*

## Appendix I

(Vide Recommendation No. 10 in Chapter II)

### MINISTRY OF INDUSTRIAL DEVELOPMENT NOTIFICATION

New Delhi, the 11th February, 1972.

**S.O. 135 (B):** In exercise of the powers conferred by clause 4 of the Tractors (Price Control) Order, 1967, and in supersession of the notification of the Government of India in the Ministry of Industrial Development No. S.O. 3602 dated the 18th October, 1971, the Central Government hereby fixes with immediate effect, the price as specified in column (5) of the Schedule annexed hereto to be the sale price payable for the agricultural tractors described in the corresponding entries in columns (2) and (3) of the said Schedule and manufactured or assembled by the manufacturers specified in column (4) thereof.

#### THE SCHEDULE

Sl. No.	Description of the tractor (Make Model)	Horse Power and basic features of the engine	Name of the Manufacturer	Sale price (F.O.R.) Destination Rail Head
1	2	3	4	5
1.	Hindustan Diesel Engine driven tractor Model HWD 50 fitted with 6.50x20 front tyres and 14x28 rear tyres	50HP, 4-Cylinders water cooled.	M/s. Hindustan Tractors Ltd., Vishwamitri, Broda	32,900
2.	Hindustan Diesel Engine driven tractor Model 35 fitted with 5.40 76.0x16 front tyres and 10.0/11.2/12 4x28 rear tyres	35HP 3-cylinders water cooled.	M/s. Hindustan Tractors Ltd. Vishwamitri, Baroda	24,100
3.	Massey Ferguson Diesel Engine driven tractor Model MF 1035 fitted with 5.50/6.0x16 front tyres and 10.0/11 0/1 2 2.4x28 rear tyres	35HP 3-cylinders water cooled.	M/s. Tractors and Farm Equipment Ltd. 202, Mount Road P.Box. 3302, Madras-34	26,300

1	2	3	4	5
4.	Mc Cormic International Diesel Engine driven tractor model B275/276 fitted with 5.50/6.0×16 front tyres and 10.0/11.0/11.2/12.4×28 rear tyres	35HP 4-cylinders water cooled	M/s. International Tractors Co. of India Ltd., Akurli Road, Kandili East Bombay-67 (NB)	25,200
5.	Escorts Diesel Engine driven tractor model 37 fitted with 5.50/6.0×16 front tyres and 10.0/11.0/11.2/12.4×28 rear tyres	34.5HP 3-cylinder air cooled	M/s. Escorts Ltd., 6-Pratap Building Connaught Circus, New Delhi-1	25,200
6.	Eicher Diesel Engine driven tractor model 1158 fitted with 5.50/6.0×16 front tyres and 10.0/11.0/11.2/12.4×28 rear tyres	26.5HP 1-cylinder air cooled	M/s. E cher tractors India Ltd., 16-Asaf Ali Road, New Delhi.	25,200

*Remarks*

The sale price in column (5) includes the price of the following accessories/ attachments which shall be supplied with every tractor.

- (a) Hydraulic Lift.
- (b) 3-Point linkage
- (c) Power take-off
- (d) Lighting equipment, consisting of head light, tail and plough light.
- (e) A set of tools and
- (f) Electric Horn.

[No. F. AE Ind-II-5(34) 71]

S. M. GHOSH,  
Joint Secretary

## APPENDIX II

(Vide Recommendation No. 19 in Chapter II)

No. 11-2/71-My(S)

BHARAT SARKAR

KRISHI MANTRALAYA (KRISHI VIBHAG)

Krishi Bhavan, New Delhi, the 24th December, 1971.

To

All State Agro-Industries Corporations

Sub:—After-sale service and maintenance of tractors—Recommendations made by the Committee of Experts.

Dear Sirs,

I am directed to say that the Committee of Experts appointed by the Government of India to investigate the irregular and objectionable practices indulged in by the importers and manufacturers of tractors and their agents in the sale of tractors and spare parts in the country has made the following recommendation in regard to the after-sale service and maintenance of tractors:—

“The Committee also felt that since the responsibility for the after-sales service and maintenance of tractors would increasingly fall on the Agro-Industries Corporations hereafter, efforts should be made from now on to strengthen, equip and organise these corporations to under-take these onerous responsibilities and discharge them effectively.”

It is requested that the State Agro-Industries Corporation may kindly take necessary action to strengthen, equip and organise their after-sale service facilities for tractors.

Action taken in the matter may be intimated to this Ministry.

Yours Faithfully,

(Sd.) P. I. DAVID,

*Avar Sachiv, Bharat Sarkar.*

Copy forwarded to:—

- (1) The Ministry of Industrial Development, New Delhi with reference to its O.M. No. AEI-II/5(50)/68 dated 30th November, 1971.
- (2) Machinery (PTP) Section.
- (3) Machinery (C&A) Section.

(Sd.)

*Avar Sachiv, Bharat Sarkar.*

## APPENDIX III

Wide Recommendation No. 6 in Chapter IV)

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRIAL DEVELOPMENT  
(AUDYOGIK VIKAS MANTRALAYA)

*New Delhi, the 1st September, 1971.*

*10th Bhadra, 1893.*

### ORDER

S.O.—Whereas it appears to the Central Government that it is necessary so to do for securing the equitable distribution and availability at fair prices of tractors.

Now, therefore, in exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955) the Central Government hereby makes the following Order, namely:—

#### 1. Short title, extent and commencement:—

- (1) This Order may be called the Tractors (Distribution and Sale) Control Order, 1971.
- (2) It extends to the whole of India.
- (3) It shall come into force on the first day of September, 1971.

#### 2. Definitions:—

In this Order, unless the context otherwise requires:—

- (a) "Controller" means a Controller appointed under clause 3;
- (b) "Corporation" means any Agro-Industries Corporation, by whatever name called, established by a State Government;
- (c) "Dealer" means any person who carries on the business of buying or selling tractors, whether or not in conjunction with other business;

- (d) "Government of a State" in relation to a Union Territory means the administrator thereof;
- (e) "Manufacturer" means a person who is engaged in the manufacture of tractors;
- (f) "Register" means the register maintained by a dealer under this Order;
- (g) "Schedule" means, a Schedule to this Order;
- (h) "Tractor" means a tractor of any description specified in Schedule I, manufactured or assembled in India or imported into India.

3. The Central Government may appoint one or more Controllers for the purposes of this Order and may assign to them such functions as may be specified in the Order appointing them.

4. Controller to fix quotas:—

The Controller may by Order:—

- (a) fix quotas of tractors for meeting the requirements of the Government, or of any corporation or of any local authority, or of any class of persons having regard to the nature of their duties and functions or of specified regions in India, and different quotas may be fixed for different purposes or for different descriptions of tractors;
- (b) direct a manufacturer or dealer to distribute the tractors manufactured or kept by him for sale in such regions through such dealers, in such number and manner and at such times as may be specified in the Order.

5. Distribution of tractors by manufacturers:—

No manufacturer shall, after the commencement of this Order, sell or otherwise dispose of, or offer to sell or otherwise dispose of, any description of tractor manufactured by him, whether manufactured before or after such commencement or whether in assembled or unassembled condition, except in accordance with the Order made by the Controller under clause 4.



6. Application for purchase of tractors:

- (1) Every person desirous of purchasing a tractor shall apply to the dealer of the area in which he is resident in the form set out in Schedule II.
- (2) Every applicant shall also furnish along with the application, a Post Office Savings Bank Pass Book from a Post Office evidencing the fact that he has opened a Security Deposit Account in the said Post Office for a sum not less than Rs. 500 and pledged to the dealer.

Provided that where there is a reasonable possibility of a tractor being delivered to an applicant by the dealer within a period of 45 days from the date of the application, the applicant may not furnish the Post Office Savings Bank Pass Book upto the said period of 45 days.

- (3) When the tractor is ready for delivery, the dealer shall send intimation to that fact in writing to the pledger applicant alongwith the Post Office Savings Bank Pass Book and an authority authorising the pledger applicant withdraw the money from the Post Office.
- (4) Where, at the commencement of this Order, the name of any person appears in the books of the dealer as an applicant for the purchase of a tractor, such person shall, within ninety days of such commencement, furnish the Post Office Savings Bank Pass Book as is referred to in sub-clause (2) in lieu of the cash deposit, if any, already furnished to the dealer and thereupon the dealer shall return the deposit money forthwith.

Provided that the Controller may, having regard to the circumstances of any case and the purposes to be served by this Order extend, by order in writing, the said period of ninety days to such further period as he deems fit.

7. Maintenance of register:—

- (1) Every dealer shall maintain a register in which he shall register:—
  - (a) the names and other particulars of persons who have applied to him in the manner specified in clause 6 for the purchase of tractor;

- (b) the names of persons appearing in the books of the dealer at the commencement of this order;
- (2) The names of persons referred to in item (a) of sub-clause (1) shall be registered in accordance with the date of receipt of the application and in the case of persons referred to in item (b) of sub-clause (1) in accordance with the date on which the name was entered in the books of the dealer.
- (3) Where more than one application is received on the same date, the time of receipt of each of the applications shall be entered thereon and the names shall be duly registered according to the point of time of receipt of each of the applications:

Provided that where more than one application is received at the same point of time, the priorities *inter se* shall be determined by drawing lots.

- (4) The register shall be open for inspection during working hours.
- (a) by any member of the public;
- (b) by such officers of the Central Government or a State Government as may be authorised in this behalf by the Central Government or the State Government, as the case may be by general or special order.

8. Sale of tractors by dealer:—

Except where the sale of a tractor is to the Government or to a Corporation or to local authority or to a member of a class of persons to whom a quota has been fixed under this Order, no dealer shall, after the commencement of this Order, sell a tractor to any person whose name is not on the register maintained by him under clause 7 or otherwise than in the order in which the names are registered in that register:

Provided that, where the person whose name is already on the register of a dealer is dead, the Controller or, in a State, an officer appointed for the purpose by the Government of that State, may, after making such inquiry as he deems fit, authorise the dealer, by permit in writing, to sell the tractor to the heir of such person.

9. Registration on purchase of new tractor:—

- (1) A new tractor shall, immediately after it is purchased, be registered by the purchaser with such authority and in accordance with such terms and conditions, including payment of any fees for such registration, as may be specified in this behalf by the State Government.
- (2) No person who has purchased a new tractor shall be permitted to purchase another new tractor until after the expiry of a period of twelve months from the date of purchase, except under a permit in writing from the Controller or, in a State, an officer appointed for the purpose by the Government of that State.

10. Tractors not to be re-sold:—

- (1) No person shall, before the expiry of two years from the date when the tractor was first purchased as a new tractor, sell or offer to sell or offer to sell it, except under and in accordance with the terms and conditions of a permit in writing from the Controller or, in a State, an officer appointed for the purpose by the Government of that State.
- (2) In granting or refusing a permit under sub-clause (1), the Controller or the officer shall have regard to the circumstances relating to the proposed resale and to the objects to be served by this Order.

11. Maintenance and production of books, accounts, etc:—

- (1) Every manufacturer and every dealer shall keep such books, accounts and records relating to the manufacture and distribution or, as the case may be, the sale of tractor as the Controller may prescribe.
- (2) Every such book, account or record shall, when so required, be produced for inspection before the Controller or other authority specified by the Central Government in this behalf.
- (3) Every manufacturer and every dealer shall furnish to the Controller such returns, in such manner and at such times as the Controller may specify.

12. Power to enter, search, seize, etc:—

- (1) Any Police Officer not below the rank of Inspector or any other person authorised in this behalf by the Central Government, or a in a State, by the Government of that State may, with a view to securing compliance with this Order or to satisfy himself that this Order has been complied with—
- (a) stop and search or authorise any person to stop and search any person or any motor or other vehicle, used or intended to be used for the transport of any tractors;
  - (b) enter and search or authorise any person to enter and search any place;
  - (c) Seize or authorise the seizure or any tractor in respect of which he suspects that any provision of this order has been, is being or is about to be contravened along with the motor or other vehicle used in the transport of such tractor and thereafter take or authorise the taking of all measures necessary for securing the production of the motor or other vehicle so seized, in a court and for their same custody pending such production.
- (2) The provisions of sections 102 and 103 of the Code of Criminal Procedure, 1898 (5 of 1898), relating to search and seizure shall, so far as may be apply to searches and seizures under this clause.

13. Controller to comply with directions by Central Government:—

The Controller shall, in the exercise of the functions under this Order, comply with such directions as may be issued to him from time to time by the Central Government.

**SCHEDULE I**

**[See clause 2(h)]**

***Description of Tractors***

1. Massey Ferguson Model MF-1035
2. Massey Ferguson Model MF-135
3. International Model B-275
4. International Model B-276
5. Escorts—37
6. Escorts—27W
7. Eicher Model 115|8
8. Hindustan—35
9. Hindustan—50
10. Ford—3000
11. Zetor 2011|2511
12. Zetor 3011
13. Zetor 5511
14. U—500
15. U—650 M
16. U—651 M
17. Byelarus 48
18. DT—14B
19. T. 25
20. RS—09
21. Ursus—328
22. Ursus—335
23. IMT—533
24. IMT—555
25. David Brown Model 990
26. Deutz Models D—3006, D—4006, D—6006 and D—10006
27. Leyland Nuffield—154
28. Perfect 400E
29. Shibaura S—2000
30. John Deera Model 2020.

## SCHEDULE II

[See clause 6(1)]

### *Application for purchase of a tractor*

To

(Name and address of the dealer)

Dear Sir,

I|We want to purchase a ——— (description of tractor)

Please book my|our order and let me|us know the registration number of the order. I|we forward herewith a Post Office Savings Bank Pass Book to show that I|we have opened a Security Deposit Account in———Post office for Rs. 500 pledged in your favour which will not be withdrawn by me|us except on a written authority from you at the time when the tractor is ready for delivery. The requisite particulars are given below:—

- (a) Full name and address of the applicant;
- (b) Vocation of the applicant;
- (c) Whether the applicant owns or has owned any tractor and if so, the date of purchase and sale, if any, of the last tractor with its make and horse-power;
- (d) whether the applicant has registered for a tractor with any other dealer (if the answer is yes, the particulars of such registration should be stated);
- (e) Number and date of opening the Post Office Security Deposit Account;
- (f) Specifications of the tractor to be purchased;
  - (1) Make
  - (2) Horse-Power.
- (g) Purpose for which the tractor is required.
- (h) Details of the agricultural land, if any, owned|held on lease by the applicant;

(i) Area

(ii) Tehsil|District & State in which situated.

I hereby certify that the particulars given above are true and correct to the best of my knowledge and belief. I fully understand that my application for the purchase of a tractor is liable to be cancelled if it is found that any particulars furnished are incorrect or false.

Yours faithfully,

Signature of applicant

Date————

(No. A. E. Ind. II|5(37)66

Sd/- (S. M. GHOSH)

*Joint Secy. to the Govt. of India.*

To

The Manager,  
Government of India Press,  
New Delhi.

