

2. Revision of scales of pay.
3. Upgradation of their posts on the basis of percentage.
4. Improvement of their channel of promotion.
5. Counting Running Allowance for purposes of Dearness Allowance.

(c) Government have since revised the rates of Running Allowance of all categories of Running Staff, including Guards, and have also decided to introduce a scheme of incentives in respect of goods trains.

(d) This revision was introduced after agreement was reached at negotiations with the National Federation of Indian Railway men.

#### **Industrial Conference of Gujarat Chamber of Commerce and Industry**

\* 821. SHRI R. K. AMIN : Will the Minister of STEEL AND HEAVY ENGINEERING be pleased to state :

(a) whether it is a fact that the Industrial Conference of Gujarat Chamber of Commerce and Industry has indicated a scope for a 200,000 tonnes of a pig iron and 20,000 tonnes of an alloy steel plant in Gujarat State; and

(b) if so, the reactions of Government thereon ?

THE MINISTER OF STEEL AND HEAVY ENGINEERING (SHRI C.M. POONA CHA) : (a) No such indication has been given to the Ministry of Steel and Heavy Engineering. However, a letter of intent for the manufacture of 300,000 tonnes of pig iron per annum at Bhavnagar in Gujarat State was granted to Shri Modu Timblo. The project has not been implemented so far. A licence for production of 10,000 tonnes of stainless steel in Gujarat granted to Messrs. V. H. Shah has also not been implemented.

(b) Does not arise.

#### **Rural Industrial Project Programme**

\*822 SHRI NARENDRA SINGH MAHIDA : Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state :

(a) whether the Evaluation Report of the Rural Industrial Project Programme has since been received;

(b) if so, the details thereof; and

(c) the action taken thereon ?

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

(b) and (c). A statement giving the summary of conclusions and recommendations of the Report of the Evaluation Study Team on Rural Industries Projects Programme and action taken on the main recommendations is laid on the Table of the House. [Placed in Library See. No.-L.T. 582/69]

#### **Production by Companies in excess of their Licensed Capacity**

\*823. SHRI BABURAO PATEL : Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state :

(a) the names of the 43 companies that have been served with notices to explain how their production has exceeded their licensed capacity;

(b) whether it is a fact that some of these companies have been importing spare parts and components and assembling them to make additional machinery ;

(c) if so, the names of ten such top firms and the names of products produced by such machinery; and

(d) the steps taken to prevent such activities ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI F.A. AHMED) :

(a) to (d). A statement is laid on the Table of the House.

#### Statement

Under Section 13 (1) (d) of the Industries ( Development and Regulation ) Act, 1951 no owner of a licensed or registered industrial undertaking can effect a substantial expansion of its capacity except under, and in accordance with, a licence issued in that behalf by the Government. However, with a view to boosting production and ensuring fuller utilisation of the installed capacity, Government relaxed the licensing procedure in 1960 whereby production of industrial undertakings could be increased even beyond their licensed capacity, if they could do so without import of additional machinery or raw materials. Recently, Government have given freedom to industrial undertakings to increase or diversify their production upto 2½% of their licensed/registered capacity without the necessity of obtaining an industrial licence provided that no additional plant and equipment (except minor balancing equipment procured indigenously) was installed and no additional expenditure of foreign exchange on raw materials was involved unless the industry was a priority industry. These relaxations do not permit installation of additional plant and machinery, whether imported or indigenously.

It has, however, come to the notice of Government that some industrial undertakings have unauthorisedly built up capacity much in excess of the permissible increase of 25% over the licensed capacity. The determination of this question, and the action to be taken in the individual cases is under examination.

#### Production of Paper

\*824 SHRI CHENGALRAYA NAIDU:

SHRI MAHARAJ SINGH BHARATI:  
SHRI N. R. LASKAR:  
SHRI R. BARUA:

SHRI DEORAO PATIL:  
SHRI BASUMATARI:

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

(a) whether it is a fact that the production of paper and paper board has fallen from 40,000 tons to 10,000 tons annually;

(b) if so, the reasons therefor;

(c) whether in view of this fall in production, Government propose to step in to produce paper and allied products; and

(d) if so, the final decision taken in this regard ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI F. A. AHMED) : (a) No, Sir. There was no drop in production, but the annual rate of increase of production had declined from 40,000 tonnes to 10,000 tonnes during 1968-69, as compared to the preceding years.

(b) Does not arise.

(c) and (d). In order to meet the anticipated growth in demand in future, there are some proposals to set up Paper/Pulp plants in the public sector. These proposals are still under the consideration of Government and no final decision has been taken.

#### Production Capacity Of Railway Wagon Manufacturers

\*825 SHRI D. N. DEB :

SHRI K. M. KUSHIK :  
SHRI S. K. TAPURIAH :

Will the Minister of RAILWAYS be pleased to state :

(a) the total production capacity of Railway wagon manufacturears in the country;

(b) how many wagons per year on an average are being procured by Government from the private sector;