

Pending bills of B.H.E.L. against State Electricity Boards

*131. SHRI G. NARSIMHA REDDY: Will the Minister of ENERGY be pleased to state:

(a) whether it is a fact that B.H.E.L. has huge bills pending payment by State Electricity Boards;

(b) if so, the outstanding bills as on 31 December, 1980; and

(c) whether the causes for non-payment have been conveyed by the State Electricity Boards and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF ENERGY (SHRI VIKRAM MAHAJAN): (a) and (b). Outstanding bills of BHEL against various State Electricity Boards as on 31-12-1980 amounted to about Rs. 99 crores which includes some amounts under dispute also.

(c) Normally, the reasons for non-payment are conveyed by the State Electricity Boards to the BHEL. The main reasons for payments remaining outstanding include the following:

(i) Payments are disputed.

(ii) despatches are unscheduled and hence not payable till the scheduled time is reached.

(iii) payments are under process.

(iv) at times, ways and means position of the Boards do not permit immediate payment.

SHRI G. NARSIMHA REDDY: The hon. Minister has given 'payments are disputed' as one of the reasons for non-payment of bills. In my question, I had categorically requested the hon. Minister to inform us of the details of the reasons. The answer that the payments are disputed, I feel is a little vague. I would like to know what exactly he means by the dispute between the Electricity Boards and BHEL, which leads to non-payment of Bills.

SHRI VIKRAM MAHAJAN: It happens at times that the clause of price escalation provided in the contract comes in, we have such a clause always. Then, it also happens sometimes that an item which is not required in the first stage is supplied first. So, they say: This item is useless for us at this time. Why should we pay for it? So, these are some of the reasons.

SHRI G. NARSIMHA REDDY: Is it a fact that one of the reasons for the disputes is that BHEL has supplied equipment which is defective, and it is no more useful in the Electricity Boards, and, therefore, payment is not being made? If so, what is the percentage of cases in this category, and the amounts not paid

SHRI VIKRAM MAHAJAN: It is true that at times, defective equipment comes, and that also is one of the causes. But BHEL is making an improvement.

So far as the quantum of money is concerned, it is difficult to quantify what is the amount of money involved in this particular category.

SHRI G. NARSIMHA REDDY: My question was about the quantum or percentage of disputes in this particular category.

Orders Placed with BHEL and Foreign Companies by Electricity Boards for Power Equipment

*132. SHRIMATI GEETA MUKHERJEE: Will the Minister of ENERGY be pleased to lay a statement showing:

(a) the amounts of orders for electrical equipment (in terms of rupees) placed with the BHEL by different State Electricity Boards during the last three years and by the Central Government for National Thermal Projects;

(b) the amounts of orders placed with foreign companies for the same in the same period; and

(c) the outstanding orders with BHEL for their equipment at the moment?

THE MINISTER OF STATE IN THE MINISTRY OF ENERGY (SHRI VIKRAM MAHAJAN): (a) to (c): A statement is laid on the Table of the House.

Statement

(a) to (c): The value of the orders received by BHEL for thermal power generating equipment from State Electricity Boards and other Central Government agencies during the last 3 years is as follows:—

Year	Value Rs. in (crores)
1979-80	99
1980-81	311
1981-82	1082

The value of the orders outstanding with BHEL at the end of 1981-82 was Rs. 2970 crores. The corresponding figures at the end of August, 1982 was Rs. 3500 crores.

The National Thermal Power Corporation (NTPC) has placed orders with BHEL amounting to Rs. 365.25 crores for electrical generating equipment, and other associated electrical equipment for Thermal Projects during the period April, 1979 to March, 1982. Orders placed by NTPC with foreign companies for similar equipment during the same period amount to Rs. 129.16 crores. Of the total orders placed by NTPC on BHEL, the outstanding orders at the end of September, 1982 aggregate to Rs. 497.78 crores.

A statement showing the details of the orders placed on indigenous and foreign suppliers for thermal generating sets since January, 1977 is enclosed as Annexure.

ANNEXURE

Statement showing the details of the orders placed on the Indigenous and Foreign suppliers for Thermal Generating Units from January, 1977.

Sl. No.	Name of State and Project	Date of order	Whether indigenous or imported	If imported, the source of import	Remarks
1	2	3	4	5	6

NORTHERN REGION

I— Haryana :

1	Panipat St. II 2×110 .	11/79 (Boiler) 10/78(TG)*	Indigenous Do.
2	Panipat St. III 1×210	3/80	Do.

II— PUNJAB

	Ropar 2×210	8/80	Do.
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III—RAJASTHAN

1	Kota St. I 2×110	1/78	Do.
2	Kota St II 1×210	9/81	Do.

1	2	3	4	5	6
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IV—UTTAR PRADESH

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|-----------------------|------|------------|--|--|--|
| 1. Parichha 2 × 110 | 3/78 | Indigenous | | | |
| 2. Tanda 4 × 110 | 3/78 | Do. | | | |
| 3. Anpara 'A' 3 × 210 | 3/78 | Do. | | | |
| 4. Unchahar 2 × 210 | 3/81 | Do. | | | |

WESTERN REGION

I—Gujarat

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|-------------------------------|-------|-----|--|--|--|
| 1. Ukai —5 1 × 210 | 5/79 | Do. | | | |
| 2. Wanakbori Extn.
3 × 210 | 3/81 | Do. | | | |
| 3. Sikka 1 × 120 | 12/81 | Do. | | | |
| AECO 1 × 110 | 3/82 | Do. | | | |

II—MADHYA PRADESH

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|--|------|-----|--|--|--|
| 1. Satpura Unit 8 & 9
2 × 210 | 3/77 | Do. | | | |
| 2. Korba West Extn.
Unit 3 & 4 2 × 210 | 3/79 | Do. | | | |
| 3. Sanjay Gandhi TPP
at Birsinghpur 2 × 210 | 5/80 | Do. | | | |

III—MAHARASHTRA :

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|----------------------------------|------------------------------|--|--|--|--|
| 1. Parli Extn. Unit-3
1 × 210 | 4/77 | Do. | | | |
| 2. Bhusawal Extn. 1 × 210 | 4/77 | Do. | | | |
| 3. Koradi Unit-6 | 4/77 | Do. | | | |
| Unit-7 | 3/78 | Do. | | | |
| 4. Chandrapur St. I
2 × 210 | 3/77 (TG)*
10/77 (Boiler) | Do.
Do. | | | |
| 5. Chandrapur St. II
2 × 210 | 10/80 | Do. | | | |
| 6. Parli Unit-4 1 × 120 | 10/80 | Do. | | | |
| 7. Trombay 1 × 500 | 11/78 (Boiler)
9/78 (TG)* | Do.
KWU (West
Germany)
through BHEL | | | |

SOUTHERN REGION

I—Karnatak

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|-----------------|------|-----|-----|--|--|
| Raichur 2 × 210 | 8/78 | Do. | Do. | | |
|-----------------|------|-----|-----|--|--|

1	2	3	4	5	6
II—Tamil Nadu					
1.	Tuticorin—31 × 210 .	9/77	KWU (West Germany) through BHEL
2.	Mettur 2 × 210 .	9/81	Do.	..	..
EASTERN REGION:					
I. Bihar					
1.	Barauni Unit—7 1 × 110	2/78	Indigenous	..	..
2.	Muzaffarpur 2 × 110 .	4/80	Do.	..	..
3.	Tenughat 2 × 210 .	12/81	Do.	..	..
II. West Bengal					
1.	Kolaghat Extn.	6/81 (TG)* Boiler not yet ordered.	Do.	..	..
2.	Itagarh (CESC) 4 × 60	11/78 (Boiler) 12/78 TG*	Do. Imported	NIE Parson UK	Against UK aid
NORTH-EASTERN-REGION :					
I. Assam					
1.	Bongaigaon Extn. 2 × 60	10/78 Unit 3&4	Indigenous	..	..
2.	Chandrapur Extn. 1 × 30	12/80 Boiler	Imported	Mitsubishi Japan	Under Credit
		12/80' TG*	Indigenous		
CENTRAL SECTOR					
I. Ntpc:					
1.	Badarpur St. III 1 × 210	3/78	Do.	..	..
2.	Singrauli STPS St. I 3 × 210	3/78	Do.	..	..
3.	Singrauli St. II 2 × 210	8/79	Do.	..	..
4.	Korba STPS St. I 3 × 210	1/79	Do.	..	..
5.	Ramadundem STPS St. I 3 × 210	2/80	Improted	ANSALDO Italy	On the basis of Global tenders as per require- ments of Wo- rld Bank on the lowest technically acceptable offer.
6.	Farakka STPS St. I 3 × 210	5/81	Indigenous	..	..
7.	Singrauli St. II 2 × 500	3/82	Indigenous	..	..
8.	Rihand St. I 2 × 500	5/82	Imported	..	Bilateral UK aid/credit

1	2	3	4	5	6
9	Vindhyachal St.I 6x210 6/2		Imported	..	Bilateral U.S.S.R.credit
10	Korba STPS St.II 3x500 8/82 (Boilers) TGs *orders to be placed.		Indigenous		
II. Neyveli Lignite Corporation.					
	Neyveli Second Mine Cut	3x2104/81 (TG)*	Imported	Franco-Tusi Italy	Orders were placed on the lowest technically acceptable offer as per KFU (West Germany) aid condi- tions.
		10/80 (Boiler)	Imported	Transelectro, Hungary.	
III. Damodar Valley Corpn.					
1	Bokaro 'B' 1x210	4/79(Boiler) 9/77 (TG)*	Indigenous Do.	..	..
2	Bokaro 'B' Extn. 2x210	4/81	Do.	..	..
*TG Turbo Generator.					

SHRIMATI GEETA MUKHERJEE:
Firstly, in the last paragraph of the
statement that is laid, it is said:

"A statement showing the details
of the orders placed on indigenous
and foreign suppliers for thermal
generating sets since January, 1977
is enclosed as Annexure."

Please look at the statement. There is
no Annexure here. I do not know, it
must be travelling somewhere else. In
any case, the other answer is also not
comprehensive. It is rather evasive.
For example, part (b) of my question
says:

"the amounts of orders placed
with foreign companies for the same
in the same period;...."

Placed by whom? Placed by the State
Electricity Boards as well as the national
thermal power projects. The answer
given to this is this:

"Orders placed by NTPC with
foreign companies for similar equip-
ment during the same period amount
to Rs. 129.16 crores."

Here, the orders placed with foreign
companies by State Electricity Boards
are not referred to. So, I seek your
protection.

I would like to know whether the
Minister is aware of a news item ap-
pearing in 'Business Standard' of Cal-
cutta, dated the 29th August, under the
heading 'BHEL on brink of a big
crisis'. One of the reasons, according
to the paper, is:

"...the heavy reliance of the Go-
vernment on import of plant and
machinery for super thermal plants
on the other are going to put BHEL
in a disastrous position by 1984-85."

MR. SPEAKER: Please come to the
question.

SHRIMATI GEETA MUKHERJEE: I am putting the question straightway about these two things. This report refers to the crisis that is likely to arise in 1984-85. The report also says:

"...the company does not have a single new order for equipment. The company will be deprived of orders worth over Rs. 2,000 crores because the contracts for supply of power equipment are being bagged by foreign suppliers."

MR. SPEAKER: Why can't you put it straightway, as to what is happening?

SHRIMATI GEETA MUKHERJEE: In the context of these things, I would say that the full particulars of the State Electricity Boards' orders on the foreign companies have not been given. I would like to know what is really happening with regard to the orders on the foreign companies, and whether the allegation made in various quarter about foreign companies being given orders in preference to BHEL by State Electricity Boards as well as some Central undertakings is correct.

SHRI VIKRAM MAHAJAN: In the 6th Plan, about 20,000 Megawatts was the capacity to be installed. Out of this capacity, 16,453 has been allocated to BHEL, hardly 11 per cent has gone to outsiders. Therefore this charge is totally wrong. So far as orders on the BHEL are concerned, so far as money which is provided by the Government of India is concerned, practically the entire money is put in the indigenous manufacturing sector and details I have given. The imports are limited to a very small extent, that is 11 per cent. There are two or three basic reasons: (1) when we take money from the World Bank or any such bank, then we have to float global tenders and it goes to the lowest tenderer. When we have no money in our country and we ask for a credit line from a foreign country, then the equipment has to be taken. For example, we have taken a 1000 MW thermal station from Russia. The credit

line is from the U.S.S.R. We have to buy equipment from U.S.S.R. In such cases, the money is not available for buying equipment from indigenous sources. Similarly, we have taken a credit line from United Kingdom, it is tied up with the equipment. So either, take the power equipment or we do not take it. That money is not available for the indigenous sources. So, these are two or three exceptions, but, basically and substantially all the orders have gone to BHEL. Out of 19,686 MW capacity, 17,453 has gone to indigenous sources, that is BHEL for which the foreign sources account for only 11 per cent. I think the item which the hon. member referred to is not correct and does not give a correct picture. So far as new orders are concerned, when the 7th Plan is formulated and the sources are available, the order will be placed accordingly. So far as State Electricity Boards are concerned, I have given in the Annexure the details. If the hon. member has not got the details, I can read them out, it is a three-page Annexure: and it has given a complete picture of the orders placed by the State Electricity Boards and NTPC.

SHRIMATI GEETA MUKHERJEE: Is it a fact that for Chander Pur Project of Maharashtra for which a multinational firm is being groomed for having the order despite the fact that BHEL has given a quotation which is lower?

SHRI VIKRAM MAHAJAN: As I have mentioned earlier, so far as credit lines are concerned, as I had already given it in my previous answer, if we take a credit line, we buy their equipment. The credit line is not available for the local indigenously manufactured equipment. If BHEL is willing to give us the credit line, we buy our entire equipment from BHEL, but we cannot scuttle the power sector, because the order cannot be placed on BHEL, and this particular order is by Maharashtra. The matter is under consideration.