

the list of names which he has read out of the parties which have come forward includes many who have got nothing to do with the oil and petroleum field at all. There are textile mills and such people there who obviously will have to bring in foreign collaboration. I therefore want to be assured that even if it is in the joint sector, who will be responsible for the day to day management and control of these refineries.

SHRI NAWAL KISHORE SHARMA : I may further read out the 1956 Industrial Policy Resolution. I would like to read it out for your benefit. It says :

“Whenever cooperation with private enterprise is necessary, the State will ensure, either through majority participation in the capital or otherwise, that it has the requisite powers to guide the policy and control the operations of the undertaking.”

So, this itself is binding on the Government. In respect of whatever decision has to be taken, we would ensure that the operational control is with the oil companies who are executing the project.

SHRI INDRAJIT GUPTA : I never asked about equity participation. Obviously in a joint sector they will not be the ‘minority partner’ as far as the equity participation is concerned. I was asking about the management control. Without having some Directors on the Board you cannot ensure it.

SHRI NAWAL KISHORE SHARMA : You have to act in accordance with the guidelines. We would certainly keep in view what you have said.

SHRI BHAGWAT JHA AZAD : In reply to Mr. Panigrahi’s question, the hon. Minister said that this project—due to the constraints of finance, being considered in the joint sector. He has been kind enough to enlighten us with the 1956 Industrial Policy Resolution. In spite of that provision, there has been no such action by the Government. I want to know whether this project only is being taken up in the joint sector as a result of financial constraint. Or, is it a Government policy now, and there is a change in policy, so that there will be more

such projects which will be considered in the private sector? I want to have that clarification from you.

SHRI NAWAL KISHORE SHARMA : Regarding the question of joint venture in the refinery sector, earlier too we had joint venture in two of our refineries. So, this is not a new concept. So far as the question of Government policy is concerned, so far as I know of my Department, this is only with regard to the Joint Venture.

Role of Private sector in Industrial sphere in Seventh Plan

*24. **SHRI CHITTA MAHATA :** Will the Minister of INDUSTRY be pleased to state :

(a) whether it is a fact that the private sector has been assigned a dominant role in the industrial sphere in the Seventh Five Year Plan; and

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) :
(a) No, Sir.

(b) Does not arise.

SHRI CHITTA MAHATA : Mr. Speaker, Sir, in the *Indian Express* on 22nd September, the heading appears, ‘Big Role for private sector in industrial sphere in Seventh Five Year Plan’. In answer to part (a) of my question, the hon. Minister replied, “No, Sir.” Therefore, I would like to know from the hon. Minister of Industry how many licences have been issued to big industrial houses and public sector units during the Sixth Five Year Plan. Secondly, I would like to know how much of funds have been allotted for the public sector as well as the private sector during the Seventh Five Year Plan and the reasons therefor.

THE MINISTER OF INDUSTRY (SHRI NARAYAN DUTT TIWARI) : As far as the number of industrial licences issued to large industrial houses are concerned, we do not keep separate statistics for large industrial houses *ab initio*. If the hon. Member wants information for any particular industry, then of course I require notice.

As far as allocations are concerned, allocations for the Seventh Plan are marginally approximate to what the Sixth Plan provided for in the private sector. The private sector outlay in the Sixth Plan averaged 58.2 per cent of the total outlay and in the Seventh Plan also it has marginally increased to 59.4 per cent. This marginal outlay also reflects increased outlays for small industries which are overwhelmingly in the private sector.

SHRI CHITTA MAHATA : I would like to know whether the Government have decided to hand over the sick units in the public sector to private sector.

PROF. MADHU DANDAVATE : The Minister in charge of Implementation should reply to this.

SHRI NARAYAN DUTT TIWARI : There is no policy as such regarding this matter.

SHRI EDUARDO FALEIRO : It is rather in continuation of the previous question.

May I know from the hon. Minister whether the Government has now decided to involve the private sector and to open to the private sector the infrastructure sector including power, oil exploration, refining, ports development, air transport, tele-communication, mining and construction of roads and bridges which are so far the preserves of the public sector falling as they do under Schedule A of the Industrial Policy Resolution of 1956. As per the policy of 1956, all these matters are in the public sector. I would like to know whether it is now the policy of the Government to change the earlier policy and include these preserves in the private sector for the benefit of private sector and if so, the reasons therefor?

PROF. MADHU DANDAVATE : Add to that list, 'Government' also.

SHRI NARAYAN DUTT TIWARI : Sir, first of all, may I assure the hon. Member that the 1956 Industrial Policy Resolution continues to be the corner-stone of our industrial policy?

(Interruptions)

SHRI NARAYAN CHOUBEY : It is only meant to keep in a corner now. (Interruptions). You have already been able to corner it.

(Interruptions)

SHRI S. JAIPAL REDDY : It is a policy more honoured in breach than by observance.

SHRI NARAYAN DUTT TIWARI : May I refer to the inaugural speech made by the Prime Minister on the 8th November, 1985 before the National Development Council where he very correctly mentioned that "the public sector has acquired a commanding horizon. It has played a pioneering role in introducing modern technology in taking development to backward areas, in creating widerange of industrial and technological assistance and in curbing concentration of economic power to which goals, the credit of initiative goes to the large scale development of indigenous science and technology."

Sir, while reiterating our commitment to the Industrial Policy Resolution of 1956, we must recognise the new fields of high level technology that have been open to us. In Schedule 'A' and in Schedule 'B', there are many items which are now required to be considered in depth and detail. So, we are only examining what particular matters can be put up in the private sector, not without diluting in any way the commanding heights which the public sector is holding.

PROF. MADHU DANDAVATE : Commanding heights have become demanding heights!

SHRI NARAYAN DUTT TIWARI : But it has to be recognised that the nationalised banks are there.

Financial institutions are with the State. Nationalised banks are with the State. Powers under the Industrial Development (Regulation) Act are with the State. There is no question of any dilution of our policy.

As far as delicensing is concerned, the hon. Member must have gone through the notifications that have been laid on the Table of the House from time to time. It was not

now but earlier, in the field of telecommunication equipment, the cooperation of private enterprise was to be secured in the manufacture of switching transmission equipment with at least 51% of shares being held by Central and State Governments and the maximum of 49% being held by the private sector parties. The private sector may be permitted to take up the manufacture of telecommunication equipment for installation at subscribers' premises, of telephone instruments, PABX system teleprinter data communication etc. If I remember correct, this measure was welcomed in the House by all sections of the House because it was practical and it has led us to the field of high technology in the telecommunication sector. As far as the Schedule 'A' and Schedule 'B' are concerned, we are considering the matter as to how we can further expand the Schedule 'A' and categorise those items in which private sector could also be invited to participate in the specialised items of high technology.

SHRI THAMPAN THOMAS : I would like to ask the Government whether it is aware that most of the private sector is having their capital from public financial institutions and if so, what are the criteria on which the Government is demarcating private sector and public sector. In the event of the private entrepreneur getting his finance or capital from public financial institution, will you call it a private sector and, in that dimension, will the Government frame rules and regulations to control this sector also so long as public money at stake is there ?

SHRI NARAYAN DUTT TIWARI : Sir, the definition of private sector is very well-known. It is also defined in the 1956 Industrial Policy Resolution. Of course, the financial institutions whenever they loan out certain funds, they certainly do prescribe

certain conditions which the private party concerned is to fulfil.

PROF. MADHU DANDAVATE : That means, the corner-stone still continues !

Failure of State Electricity Boards to Pay Arrears to N.T.P.C.

*25. **SHRI G. S. BASAVARAJU† :**
SHRI H. N. NANJE GOWDA :

Will the Minister of ENERGY be pleased to state :

(a) whether the arrears of the State Electricity Boards are mounting day by day and the Boards have failed to pay the arrears to the National Thermal Power Corporation;

(b) if so, the amount of arrears presently with each State Electricity Board; and

(c) the steps contemplated by Government/National Thermal Power Corporation to recover the arrears from each State Electricity Board ?

THE MINISTER OF STATE IN THE DEPARTMENT OF POWER (SHRI ARIF MOHAMMAD KHAN) : (a) The arrears of dues payable by the State Electricity Boards (SEBs) to the National Thermal Power Corporation (NTPC) have shown an increasing trend.

(b) A statement containing the information is given below.

(c) A scheme which contemplates supply of power to the SEBs against Letters of Credit has been introduced and several Boards have since opened Letters of Credit. Other SEBs are being prevailed upon to do likewise. The matter of timely payments to the NTPC has been brought to the notice of State Power Ministers. A surcharge is also being imposed on payments which are delayed.