

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.

**Statement**  
**Outstanding Dues for NTPC Power**

(Rs. in crores)

STPS	SEB	As on 8th Nov., 1985
Singrauli	(1) UPSEB	61.94
	(2) RSEB	17.05
	(3) DESU	13.44
	(4) HSEB	8.08
	(5) HPSEB	3.04
	(6) Chandigarh (UT)	0.14
	<b>Total</b>	103.69
Korba	(1) MPEB	19.24
	(2) MSEB	8.11
	(3) GEB	5.00
	(4) Goa	2.83
	<b>Total</b>	35.18
Ramagundam	(1) APSEB	18.02
	(2) KEB	17.24
	(3) TNEB	0.74
	<b>Total</b>	36.00
	<b>Grand Total</b>	174.87

**SHRI G. S. BASAVARAJU :** As per the statement given by the NTPC, the total outstanding dues from the State Electricity Boards is Rs. 174.87 crores. May I know from the hon. Minister what action has been taken to recover the outstanding dues from the respective SEBs ?

**SHRI ARIF MOHAMMAD KHAN :** The Government and the NTPC have taken several steps to see that payments are made by the SEBs. These measures include informal meetings between the representatives of the NTPC and those of the SEBs, formal

correspondence with the various State Electricity Boards, particularly with the major defaulters. The NTPC have recently addressed letters to the SEBs of Haryana and other State Electricity Boards...

**AN HON. MEMBER :** Only Haryana ?

**SHRI ARIF MOHAMMAD KHAN :** ...to the SEBs of Haryana, Maharashtra, Madhya Pradesh, Rajasthan and U.P.—U.P. mainly. The Department of Power have also impressed upon the various States/State Electricity Boards the necessity of liquidating

the outstanding amounts against them for purchase of power from NTPC's Stations. In the Conference of the State Power Ministers held in the first week of November, 1985, all the States concerned have been asked to make prompt payments to the NTPC.

**SHRI H. N. NANJE GOWDA :** In the case of every project, we are hearing from the Government that there are financial constraints. Now the outstanding amount is about Rs. 175 crores. Is it not a fact the NTPC could not keep up the targeted progress in other projects for want of money and if so, what action is Government proposing to take? I have come to know that the NTPC has not been able to keep up the targeted progress in other projects for want of money. Another thing I want to know is, what is the total investment made through the NTPC, and whether the Government is satisfied that the NTPC is working profitably, whether they are making profits as per the investment.

**SHRI ARIF MOHAMMAD KHAN :** We are greatly concerned about the situation of non-payment by the SEBs to the NTPC. The NTPC and the Government of India are trying their best to persuade the State Governments to direct the State Electricity Boards to make these payments.

About the financial performance of the NTPC which the hon. Member wants to know, the Corporation has earned a profit of Rs. 87.54 crores during 1984-85 as compared to Rs. 44.89 crores in 1983-84. The return on capital employed during 1984-85 works out to 9.53 per cent and the return on the net worth equity works out to 10.04 per cent. The prescribed rate of return on the equity capital of the Corporation is 10 per cent.

**SHRI H. N. NANJE GOWDA :** What about the other projects where they could not keep up the targeted progress for want of money?

**SHRI ARIF MOHAMMAD KHAN :** The projects have not been delayed except in one case where also we are trying to see that the lost time is made up.

**SHRI AMAL DATTA :** We have been given a list of outstanding dues from various

State Electricity Boards. These outstanding dues have not come in one day. They have accumulated over a period of years. And what has the Government been doing since then? The arrears have been accumulating. The only thing they have done is, recently letters have been addressed. Apparently, this is kind of subsidy which has been given to some States; this is made available indirectly. But such subsidies are not given to the other States which are not either beneficiaries of the NTPC or having links with them. Will the Minister make it clear that, in case such indirect subsidies continue for even another year, the other States who are not beneficiaries will also be given the same money to set up their own generating stations?

**SHRI ARIF MOHAMMAD KHAN :** This money does not amount to subsidy at all. As I have already stated in my reply, the Government are taking various steps to persuade the State Governments to make these payments. While the State Electricity Boards have been making payments to the NTPC from time to time, these have not been in accordance with the bills raised by the NTPC, resulting in these increased arrears. There are some more steps which we are proposing to take with the State Governments. And we are trying to ensure that these payments are made to the NTPC by the State Electricity Boards.

**SHRI AMAL DATTA :** What happens if they do not pay?

**SHRI ARIF MOHAMMAD KHAN :** But will you advise that step? That is the questions.

This is the only active step which is within our discretion and which we can take. But will it be in the national interests and in the interests of the States concerned to deny power for non-payment? We are sitting with them, we are persuading them and we will take more steps to see that these payments are made. But we do not consider it in the national interest to cut off electricity to the defaulting States.

**SHRI AMAL DATTA :** I am not asking you to do that. I am asking you to do the other thing.

**SHRI ARIF MOHAMMAD KHAN :**

Well, we need your help also to persuade the State Governments.

**Under-utilization of Installed capacity**

\*26. **SHRIMATI N. P. JHANSI LAKSHMI† :**

**PROF. K. V. THOMAS :**

Will the Minister of **INDUSTRY** be pleased to state :

(a) whether a task force appointed by Government to survey a group of manufacturing plants has given a report stating that under-utilization of the installed capacity is rampant in the industry;†

(b) the names of such industries; and

(c) the reasons for not utilizing the full installed capacity and action contemplated by Government in the matter ?

**THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) :** (a) to (c). It is not understood which particular task force the Hon. Members have in mind. However, as per available information, a Statement showing capacity Utilisation during 1984 in selected industries is given below. The capacity utilization in the Indian industry would have been higher but for certain factors such as infrastructural and raw materials constraints, demand bottlenecks, adverse industrial relations and inadequate technological upgradation, etc.

Optimum utilisation of capacity continues to be corner-stone of Industrial Policy and several measures have been taken for raising production through better utilisation of capacity. This is being secured, *inter alia*, through suitable changes in industrial licensing and import policies as well as through monetary and fiscal measures and improvement in infrastructure.

**Statement**

*Capacity Utilisation Percentage in Selected Industries*

Sl. No.	Industry	1984
1	2	3
1.	Aluminium	74
2.	Copper	83
3.	Zinc	58
4.	Lead	51
5.	Cement	74
6.	Nitrogenous Fertilizers	75
7.	Phosphatic Fertilizers	73
8.	B.H.C. (Tech.)	76
9.	D.D.T.	86
10.	Paper and Paper Board	63
11.	Newsprint	83
12.	Gaustic Soda	78
13.	Liquid Chlorine	58
14.	Oxygen Gas	75
15.	Soda Ash	92
16.	D/A Gas	53
17.	Vat Dyes	68
18.	Industrial Explosives	79
19.	Auto Tyres	78
20.	Bicycle Tyres	81
21.	Viscose Tyre Cord	33
22.	Nylon Tyre Cord	123
23.	Nylon Filament Yarn	107
24.	Polyester Fibres	85
25.	Viscose Filament Yarn	76
26.	PVC Resins	58
27.	Polysterene	71
28.	L.D.P.E.	90
29.	H.D.P.E.	130