

(b) whether any case had been registered against them;

(c) if so, what are the details thereof; and

(d) what was the total amount detected in the said raid?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA):

(a) to (d) The Income-tax Department had searched the business and the residential premises of an Excise Contractor, an Architect and two Advocates in Mangalore on 9th and 10th November, 1981. During the course of the search, *prima-facie*, unaccounted cash of Rs. 2.35 lakhs and incriminating documents showing large scale evasion of taxes by the Excise Contractor and one of the Advocates had been seized. Unaccounted cash of Rs. 2.11 lakhs seized from Excise Contractor has been retained under order under section 132(5) of Income Tax Act. Further investigations are in progress in all the cases. Till the investigations are complete, the total amount detected cannot be indicated.

SHRI B. IBRAHIM: Mr. Chairman, Sir, I would like to know from the hon. Minister—this has been asked in part (b) of the question—whether any case has been registered against any of the excise contractors or lawyers or any other contractor.

SHRI SAWAI SINGH SISODIA: Sir, according to the Income-Tax Act, first of all, when there is a search or seizure, there is a definite procedure which has been laid down and according to this procedure, the matter is being investigated and after investigation if it is found that the person should be penalised or there should be a prosecution against him, then, further steps are taken. I have already said in the main answer that the matter is being investigated. The

investigation is not complete. As soon as the investigation is completed, further steps will be taken.

SHRI PILOO MODY: He should have said 'No'.

SHRI B. IBRAHIM: Sir, I am given to understand that about 150 to 200 officials have gone from Madras to Mangalore only for the purpose of this raid and in this connection, I would like to know what is the total expenditure incurred by the Government in this regard.

MR. CHAIRMAN: This is a very difficult question.

SHRI SAWAI SINGH SISODIA: I am sorry, Sir, I have not got this information.

Assessment of performance of public undertakings

*247. SHRI RAMANAND YADAV: SHRIMATI AMARJIT KAUR:†

Will the Minister of FINANCE be pleased to state:

(a) whether the Bureau of Public Enterprises has assessed the performance of 166 operational public undertakings for the year 1981-82 in terms of profitability and physical output;

(b) if so, what is the assessment of the Bureau regarding these public undertakings; and

(c) whether Government propose to implement the suggestions given by the Bureau?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA): (a) to (c) A statement is laid on the Table of the House.

†The question was actually asked on the floor of the House by Shrimati Amarjit Kaur.

Statement

(a) to (c) Detailed assessment of performance of public enterprises for the year 1981-82 in terms of profitability would have to wait for finalisation of the annual accounts of these enterprises and their audit. Based on provisional data, the assessment of the Bureau shows that there has been a significant improvement in the performance of the Central public sector enterprises during 1981-82 as compared to the previous year. The salient features of the performance of these undertakings, which is only provisional, are shown below:—

Sales	(Rs. in crores)
Sales	35853.96
Total net profit after depreciation tax and interest	403.70
(No. of companies)	(169)
Gross profit (after depreciation before tax and interest)	2482.06
(No. of companies)	(169)
Capital employed	21393.68
Gross profit as % of capital employed	11.60

Production of major industrial inputs and other basic commodities in Central public sector enterprises was as follows for 1981-82:—

Steel Ingots (M. Tonnes)	6.64
Coal (M. Tonnes)	109.63
Crude (M.T.)	16.2
Fertilizer (N) (M.T.)	1.626

The performance of public enterprises is continuously monitored by the administrative Ministries. The Bureau assists the administrative Ministries and the public enterprises management in the improvement of

performance. Shortcomings in performance identified as a result of the assessment are made known to the administrative Ministries for appropriate corrective action.

SHRIMATI AMARJIT KAUR: I have no supplementaries to ask.

SHRI SHRIDHAR WASUDEO DHABE: Sir, I would like to know from the hon. Minister, what was the capacity utilisation. Assessment does not mean merely profitability. What was the capacity utilisation of these undertakings in the year 1981-82, because, the main complaint against the public undertakings is that they are not fully utilising their capacity? What are the reasons for this? Why full capacity utilisation is not being made by these public undertakings?

SHRI SAWAI SINGH SISODIA: The capacity utilisation in regard to the various industries is: Steel ingots—71 per cent; Saleable steel—77 per cent; Zinc—62 per cent; Copper—58 per cent; Aluminium—72 per cent; Petroleum—93 per cent.

SHRI KRISHNA CHANDRA PANT: Sir, what is the return on capital of public undertakings which has been taken into account by the Government as part of its resource mobilisation exercise for the Sixth Plan and has the level of profits generally in the public sector kept pace with the target which has been set for it so far? If not, what is the shortfall?

SHRI PRANAB MUKHERJEE: So far as this particular year is concerned, it is 11.6 and I think the hon. Member is aware, it is the gross profit before deducting the taxes. In certain years there have been some shortfalls and, particularly this year it is a little better. The projection which we did at the beginning of the Plan period would, to some extent, be upset because of the lapses in the first two years. Therefore, we would not be able to reach the target which is fixed for the entire Plan

period. It may not be possible to cover it during the rest of the two years.

SHRI KRISHNA CHANDRA PANT: What is the picture so far?

SHRI PRANAB MUKHERJEE: The exact picture I can give you later.

MR. CHAIRMAN: Yes, Dr. Adisesiah. Let us have an economist of the question.

SHRIMATI MARGARET ALVA: We are generalists, not specialists.

MR. CHAIRMAN: Even mining can come in later.

DR. MALCOLM S. ADISESHIAH: Mr. Chairman, I have just two comments. One is that the profit shown, both net profit after depreciation, tax and interest and the gross profit before tax and interest, is for the first time high and positive. I want to ask the Minister, am I right in my feeling that these have been attained before the administered prices went up this year and, therefore, in the case of steel and coal, for instance, they are not the cause of the positive or rather satisfactory rates of profits shown? My second question is, to what extent is it the reflection of the 1981-82 rate of inflation?

SHRI PRANAB MUKHERJEE: So far as the first part of the hon. Member's question is concerned, it is partly true because one of the reasons which I placed before the Members on the floor of the House is that we should adjust the administered prices keeping the cost of the inputs in view, but it would be difficult to say that the entire profit is because of the increase in the administered price. Roughly we can say—I will not be able to give you details—that it is partly due to the better utilisation of capacity. As the hon. House is aware, so far as steel is concerned, we have produced 6.6 million tonnes, coal about

109 million tonnes and the production of fertilizer and petroleum has also gone up substantially. Therefore, it is partly because of the increase in production and partly because of the increase in administered price.

Regarding the second part, I think the hon. Member himself is a distinguished economist. He can take into account the average rate of inflation and make some computation. That figure I won't be able to give the hon. Member.

MR. CHAIRMAN: He will be happy if you assessed it yourself.

SHRI KALYAN ROY: I am talking of two particular units, one is the Bharat Ophthalmic unit in Durgapur and the other is one of the biggest units in the whole of the world, that is the Mining and Allied Machinery Engineering Company which is supposed to produce all the equipment for the various mining industries. Is the Minister aware that in both of the units the utilisation of installed capacity is hardly less than 30 per cent, and the other day the Minister of Industry replied in this House that the installed capacity of the Bharat Ophthalmic unit in Durgapur is not being utilised as there has been heavy accumulation of glass produced and that is because of the new import policy of importing glass from abroad? This is question number one. Secondly, how does he reconcile nonutilisation of the installed capacity of the Mining and Allied Machinery Company employing about 18000 workers on the one hand and importing on a massive scale the same coal mining equipment from West Germany, France and the U.K. on the other? If this import continues, the utilisation of both the units will be less than 30 per cent and the grants which the Government of India is giving to these units per year are above Rs. 10 to 12 crores.

SHRI PRANAB MUKHERJEE: So far as the second part of the hon. Member's question is concerned, in regard to the import policy it has been pointed out on a number of times, while formulating the import policy and taking decisions in respect of importing particular commodities, we take into account the indigenous availability and the indigenous capacity utilisation. Therefore, it is not as if we permit every thing to be imported in a blanket manner. In regard to the capacity utilisation of these two particular units, Sir, you would appreciate that out of 169 public sector undertakings, it is not possible for me to indicate in respect of every unit. For that the administrative Ministries are there. In fact, the hon. Member could put some questions to the administrative Ministry which is relevant here—the Ministry of Industrial Development. They can tell it.

MR. CHAIRMAN: Mr. Salve. If time permits, or Mr. Piloo Mody permits, Mr. Jain.

SHRI KALYAN ROY: That is what we feel all the time that the Bureau of Public Enterprises should be liquidated. It is useless, an absolute wastage of money. It is "bourgeois public enterprise".

SHRI N. K. P. SALVE: Sir, in the chart given the net profits have been worked out at Rs 403.70 crores on the aggregate capital employed of Rs. 21,393.68 crores. The percentage is nearly 2 per cent of the capital employed in the public sector undertakings. I am sure the Finance Minister will agree that profitability would not be the correct criterion to determine and judge the efficient performance of the public sector undertakings because we do not know the precise nature of the undertakings which have been examined as they are 169 in number. May I know from the Minister, when we are talking of assessment of the performance, specially of public

sector undertakings, because the statistical compilation will not give us the correct idea, whether or not we are considering the measures taken for augmenting efficiency in productivity and the measures taken to adhere to maximising production? These are the two aspects of the matter. May I know what efforts are being made by the Ministry to make an objective evaluation to see that in terms of performance budget, the actual performance of the public sector undertakings is not projected disproportionately?

SHRI PRANAB MUKHERJEE: I do agree with the hon. Member that it is not merely... (*Interruptions*) I can answer even your question, Mr. Kalyan Roy, but why don't you take the trouble of putting the question to the Industry Minister? I do agree with the hon. Member that mere profitability is not the criterion to judge the performance of the public sector undertakings.

SHRI PILOO MODY: Too bad.

SHRI PRANAB MUKHERJEE: No, it is not merely... (*Interruptions*) I public sector has to invest where the private sector would not come. Particularly in the low-profit-yielding areas, the infrastructural sector, hardly any private sector unit will come. So if you leave it to them, there will be no development of infrastructure. Over and above that, Mr. Piloo Mody may have his views, but definitely even Members sitting left, right and behind him—many of them—will demand and demand constantly the takeover of certain units to fulfil the social obligations and to see that people are not thrown out of jobs. Therefore, all these things get reflected so far as profitability is concerned.

In regard to improving efficiency in the public sector undertakings, we have already taken it up. Certain steps have been taken unit-wise. A group of experts under the chairmanship

of the Member, Planning, Commission, Shri Fazal, was appointed and they have submitted their report. In respect of two areas, particularly coal and fertilisers, we have taken steps. About eight or nine other major public sector undertakings, their comments are under examination and the corrective steps will be taken. In fact, I have taken it up with the administrative Ministries. I tried to impress upon them that this should be treated as an important area to fund our Plan and we should reduce our dependence on budgetary support gradually. And I do appreciate that my colleagues have responded favourably and I hope it will get reflected in actual performance.

SHRI PILOO MODY: Sir, you may allow Mr. Jain now.

MR. CHAIRMAN: No, Mr. Jain is out of time. They have put a clock here now.

SHRI PILOO MODY: The clock is there and there is still one minute to go.

MR. CHAIRMAN: No, this is supposed to be the Greenwich mean time.

SHRI PILOO MODY: But we operate on our own time.

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Excise duty on safety match boxes

*242. SHRI R. MOHANARANGAM: Will the Minister of FINANCE be pleased to state:

(a) whether there have been complaints about large scale evasion of excise duty on safety match boxes because of fake banderols;

(b) whether Government propose to levy excise duty on potassium chlorate which is a basic raw material for manufacturing safety matches; and

(c) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA): (a) Though there have been cases of evasion of excise duty by use of fake Central Excise stamps, formerly known as banderols, evasion on this account has not been on a large scale.

(b) potassium chlorate is already liable to duty at the rate of 8 per cent *ad valorem* under Item No. 68 of the Central Excise Tariff.

(c) Does not arise in view of reply to part (b).

Technology transfer between India and U.K.

†*243. SHRI N. K. P. SALVE:
SHRI MURLIDHAR CHANDRAKANT BHANDARE:

Will the Minister of COMMERCE be pleased to state:

(a) whether India has lately suggested to U.K. that technology transfer between the two countries should progressively be on a production-sharing basis; and

(b) if so, what is the precise proposal made by Government in this regard and how far it represents a modification of the existing arrangements in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI SHIVRAJ V. PATIL): (a) and (b). During the meetings of the Indo-British Economic Committee

†Previously starred question 203 transferred from the 22nd July, 1982.