

out of this? As far as the money of the U.S. Embassy is concerned, the PL 480 funds are invested in special securities. That money is not with them.

**SHRI G. RAMACHANDRAN :** What would be the effect one way or the other of this vast outpouring of paper money on the phenomenon of inflation?

**SHRI P. C. SETHI :** Madam, I have said that as far as inflation is concerned, it depends upon two factors: one is the currency in circulation or the money in supply, and the other is the production of the consumer goods. And keeping these two things in view, inflation does have an impact of both these things.

#### †INDUSTRIES SET UP IN PUBLIC SECTOR

\*444. **SHRI R. P. KHAITAN :** Will the PRIME MINISTER be pleased to state :

(a) the total number of industries set up by the Government of India in the public sector and the capital invested in each of them;

(b) the profit and loss position in case of each industry for the year ending the 31st March, 1969;

(c) the extent of production capacity being utilized in the case of each industry; and

(d) the steps being taken by Government to ensure that the industries work properly?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) :** (a) to (c) Three statements giving information on investment, profit and loss position and utilisation of installed capacity in respect of various industrial and commercial undertakings of the Central Government are laid on the Table of the House. [See Appendix LXIX, Annexure Nos. 96 to 98]. Information in respect of investment and profit and loss position is in respect of 1967-68, which is the latest year for which the final audited accounts of all the enterprises are available, while that for utilisation of installed capacity is given in respect of major public sector manufacturing units during 1968-69.

†Transferred from the 11th August, 1969.

(d) The working of all the Public Enterprises is kept under constant review, with a view to increasing their productivity and profitability. Steps already taken and those to be taken both by the Managements of enterprises and Government have been spelt out in detail in the Memorandum "Public Sector Enterprises", which was circulated along with the budget documents on the 28th February, 1969.

**श्री आर० पी० खैतान :** मैडम, यह जो स्टेटमेंट दिया गया है इस में एक जगह यह बतलाया गया है कि दवाये, मेथेटिक ड्रग्स इम्पोर्ट होती हैं और उस के कारण में उन का दाम नीचा राहता है और इस कारण पूरा प्रोडक्शन भी नहीं हो रहा है। तो क्या माननीय मंत्री जी बतलायेंगे कि इस इम्पोर्ट को बन्द क्यों नहीं किया गया है ?

**SHRI P. C. SETHI :** This is with regard to the production capacity and the losses incurred by the public sector projects. As far as the question of import vis-a-vis the production year of the medicines is concerned, I would require notice for that.

**SHRI BABUBHAI M. CHINAI :** Madam, from the statement given by the honourable Minister we find that there is a capacity of nearly Rs. 3,332 crores odd and there are losses also. But we have been told that we should not look at these public sector projects from the point of view of a profit-making motive and that there is a social objective in them. May I draw his attention to the statement which he has given in connection with the percentage utilisation where I find that there are certain factories which are working at a capacity of 13%, 7%, 6%, 17%, 8% and so on and may I know from the honourable Minister whether in connection with the percentage utilisation the Government has applied its mind as to how it is going to utilise it to the maximum extent instead of showing the figures of 13%, 7%, 17% and so on, so that the money which has been invested is well utilised?

**SHRI P. C. SETHI :** Madam, it is true that in some of the public sector undertakings the percentage of utilisation is low as has been mentioned by the honourable Member. In the Heavy Machine Building Project which

the honourable Member has mentioned, the utilisation factor is 13%. In the Foundry Forge Project it is 7%. It is certainly our endeavour to see that they work to their full capacity. They have their initial difficulties and we are trying to overcome those difficulties and we are sure that their production will pick up.

**SHRI A. G. KULKARNI:** Madam, I am happy that a very nice statement has been brought by the Government which gives fuller details. But apart from this, I want to draw the attention of the Government to the very ridiculous state of affairs in all the public sector projects I can understand their social purpose—orientation. But will the Government take proper care in managing the public sector undertakings? In view of the memorandum you have issued with the Budget, I want to know in particular from you about the happenings in the Hindustan Machine Tools Ltd. The HMT is one of our factories which has got the pride of place in this country because it is a finest engineering complex but the tragedy is that there is 8 per cent utilisation. They are always trumpeting that they have opened offices in foreign countries for exports whereas no sizeable export has taken place so far and the Managing Director is only publicising his own activities going abroad and coming back and not doing any business. In this connection, I would like to warn the Government that such type of Managing Directors who are callous in their duties should be hauled up and the Government should see that the public sector projects work properly in all their aspects and that no *zohmal* is done.

**THE DEPUTY CHAIRMAN:** It is a suggestion for action.

**SHRI P. C. SETHI:** Madam, I would like to say that the remarks of the honourable Member with regard to the HMT and its performance are slightly uncharitable

**SHRI A. G. KULKARNI:** Why?

**THE DEPUTY CHAIRMAN:** You cannot interrupt him like that, Mr. Kulkarni.

**SHRI P. C. SETHI:** The HMT is one of our units which has shown very good performance. It has exported its machines and they have been appre-

ciated all over Europe. But on account of recession, Madam, their demand is not there and therefore, the state of affairs as indicated is there.

**DR BHAJ MAHAVIR:** Madam in this statement showing the installed capacity, in regard to the Heavy Electrical Equipment Plant, Hardwar, the answer given in the column "installed capacity" is "not available". I would like to know what the honourable Minister or the Government means by saying that the installed capacity figure is not available. Is it a Plant which has been installed only now? Or, if it has been installed there for a number of years, I would like to know what is meant by this statement "not available". Secondly, in these figures there are widely divergent results. We have as high as 90 per cent and above and we have as low as 3 per cent of capacity utilisation. I would like to know if there is any effort on the part of the Government to give an incentive to reward where production is nearer the capacity limit and to take to task the Plants where the production is as disappointing as 3 per cent or 7 per cent. Do you have an approach or a system like this?

**SHRI P. C. SETHI:** Madam, I am really sorry that the installed capacity figures with regard to the Heavy Electrical Equipment Plant, Hardwar, are not available at the moment. But we would collect the figures and place them on the Table of the House.

With regard to the various performances, Madam, there are different reasons for the performance of such great variance. Therefore, each will have to be gone into and certainly it is our endeavour to see that their performance increases and their demand catches up, and whatever initial difficulties and teething troubles they have, are being removed.

**SHRIMATI LALITHA (RAJAGOPALAN):** Madam, in this statement of the 83 public sector undertakings given, at least 31 are running at a loss and they include the Indian Airlines Corporation, the Hindustan Steel Limited, the Bharat Heavy Electricals Limited, etc. In the statement of capacity utilisation it has been stated that in the Bhilai Steel Plant the capacity has been installed, but there is a doubt whether the capacity could be utilised

to the fullest extent. In regard to the Heavy Engineering Corporation also the statement says that due to the difficulty in procuring imported components, it is very difficult to meet the demands. In the same statement the Heavy Electricals (I) Limited also complains of the same difficulty in getting imported components in time. The Heavy Electrical Equipment Plant, Hardwar, says that there is a lack of demand for many of the products. Madam, this is because of a defect in the marketing facilities. Then, in regard to the Antibiotics Plant at Hardwar the statement says that the products of the Plant have not generally found ready market because of the availability of imported drugs at lower prices. . . .

**THE DEPUTY CHAIRMAN:** You put a question.

**SHRIMATI LALITHA (RAJAGOPALAN):** No, no, Madam. You must listen to me. This is a very lengthy statement given by the honourable Minister. I am putting forth my points first. Unless I put forth my points, how can I put the question?

And then the Synthetic Drugs Plant also says it is because of the availability of imported drugs at lower prices. That shows that our drugs have no market in the country because the imported drugs are there.

**THE DEPUTY CHAIRMAN:** So what?

**SHRIMATI LALITHA (RAJAGOPALAN):** In such conditions I would like to know from the honourable Minister whether these imported components cannot be replaced by indigenous components and whether this lack of demand cannot be solved and what policy the Government is following in order to utilise the capacity of these public sector undertakings to the fullest extent so that they can run on profit.

**THE DEPUTY CHAIRMAN:** May I request Members to be very brief and direct in their questions? You cannot cover the whole statement.

**SHRI P. C. SETHI:** As far as the imported components are concerned, every effort is being made to have indigenous components wherever we can do it. Shops have been opened but there were initial difficulties. We did

not have the drawings and designs in the initial stages. They are being obtained and we are having a definite programme in that direction. Regarding the other question by Mr. Khaitan regarding import of drugs, I have no information.

**SHRI KALYAN ROY:** I refer to the Hindustan Cable Factory at Rupanarayanpur. Is he aware that the union there has made an allegation of serious corruption among the top officers who are building guest houses and wine cellars and in collusion with the Birlas and others are trying to curtail production and this concern is in a position to expand its various types of equipments but the Government of India is not helping and is trying to give a licence to the private sector

**SHRI P. C. SETHI:** This question relates to the performance and profit and loss of the public sector undertakings. I do not have on hand the complaints made by a particular union and so it would not be possible for me to answer this question.

**SHRI KALYAN ROY:** Have you enquired into the allegations?

**SHRI P. C. SETHI:** If the Member gives information again we will look into it.

**SHRI RAJENDRA PRATAP SINHA:** Is the Government aware that there are in-built idle capacity in many of these plants? May I know if they have made any survey and will they tell the Parliament and the country what are the idle capacities which cannot be utilised for some time to come in some of these plants and what is the break-through point in these huge plants which these plants must attain in order that they may start working on profits?

**SHRI P. C. SETHI:** As far as the built-in capacity is concerned, to start with, the production is limited and sometimes the demand is not there, sometimes the construction is going on. Take the steel plants. As far as the one million ton capacity is concerned, we attained almost 99 per cent. production capacity but when they went through an expansion programme, then their capacity is further increased and from that point of view now we are coming in the range of 70 per cent.

utilisation figure. So wherever expansion programme is going on, the utilisation figure certainly goes down but it is our endeavour to see that the plants are working to full capacity and the demand factor is also kept in mind.

**SHRI S. S. MARISWAMY:** The total investment is Rs. 3332 crores and there are 83 undertakings. I do not find in the list even a single undertaking making profit. There may be one or two but on the whole the undertakings do not make profits. In view of this, will the Government appoint a high-powered committee to go into this and to find out what is wrong with them?

**SHRI P. C. SETHI:** This is not correct that all the undertakings are making losses. About 39 are showing profits. There are 15 undertakings which are under construction and there are only 5 or 6 that are really making big losses and they are being looked into by the Bureau of Public Undertakings.

\*586. [The questioners (Sardar Ram Singh, Sardar Narindar Singh Brar and Sardar Gurcharan Singh Tohra were absent. For answer, vide cols. 4503-4504 infra.]

बिहार, उत्तर प्रदेश आदि में बिजली

\*587. श्री जगदम्बी प्रसाद यादव : †  
श्री मानसिंह वर्मा :

वया सिंचाई तथा विद्युत् मंत्री यह बताने की कृप करेंगे कि :

(क) क्या यह सच है कि बिहार, उत्तर प्रदेश और हरियाणा जैसे राज्य बिजली की सप्लाई के मामले में पिछड़े हुए हैं जिसके फलस्वरूप इन राज्यों के किसानों को अपने नल-कूप चलाने के लिए बिजली प्राप्त नहीं हो रही है ; और

(ख) यदि हां तो इन राज्यों को और अधिक बिजली देने के लिए सरकार द्वारा क्या कदम उठाए जा रहे हैं ?

†The question was actually asked on the floor of the House by Shri J. P. Yadav.

†[ELECTRICITY IN BIHAR, U.P. ETC.]

\*587. SHRI J. P. YADAV :

SHRI MAN SINGH VARMA :

Will the Minister of IRRIGATION AND POWER be pleased to state :

(a) whether it is a fact that States like Bihar, Uttar Pradesh and Haryana are lagging behind in regard to supply of electricity with the result that the farmers in these states are not getting power for running their tubewells; and

(b) if so, what steps are being taken by Government to provide more electricity to these States?]

सिंचाई तथा विद्युत् मंत्रालय में उपमंत्री (प्रोफेसर सिद्धेश्वर प्रसाद) : (क) तथा (ख) अपेक्षित जानकारी का विवरण सभा पटल पर रखा जाता है ।

विवरण

(क) साधारणतया बिहार, उत्तर प्रदेश तथा हरियाणा राज्यों में बिजली की कमी है परन्तु इस कमी के कारण किसानों को बिजली के कनेक्शन देने से इन्कार नहीं किया जाता । परन्तु उत्तरी बिहार में अपर्याप्त बिजली सप्लाई के कारण, बिजली के कनेक्शन देने की संख्या सीमित रखी जाती है ।

(ख) बिहार, उत्तर प्रदेश और हरियाणा में बिजली की सप्लाई में तंगी को दूर करने के उद्देश्य में निम्नलिखित उपाय किए जा रहे हैं :

बिहार बरोनी में 50 मेगावाट के पहले यूनिट को और पथरातू में 50 मेगावाट के दो यूनिटों की शीघ्र ही चालू करने के लिए प्रयत्न किए जा रहे हैं । बरोनी यूनिट के अगस्त/सितम्बर, 1969 तक तथा पथरातू यूनिटों के नवम्बर/दिसम्बर, 1969 तक चालू होने की संभावना है । इसके अतिरिक्त उत्तरी तथा दक्षिणी

†[ ] English translation.