

ments suggested in the recommendation would not only be cumbersome but also costly from there financial angle and it is not, therefore, considered necessary to set-up the suggested separate zone under the charge of a Chief Engineer.

#### **Energy Pool for South Asia**

4324. SHRI PIUS TIRKEY :  
SHRI SHYAM SUNDAR  
GUPTA :  
SHRI MUKHTIAR SINGH  
MALIK :

Will the Minister of ENERGY be pleased to state :

(a) whether Government propose to work out the feasibility of an energy pool for South Asia ; and

(b) i so the details thereof ?

THE MINISTER OF ENERGY  
(SHRI P. RAMACHANDRAN) :  
(a) No, Sir.

(b) Does not arise

#### **Installed and Licensed Capacity of Gwalhar Rayan Silk Manufacturing and Weaving Co.**

4325. SHRI SAUGATA ROY : Will the Minister of INDUSTRY be pleased to state :

(a) whether Gwalhar Rayan Silk Manufacturing and Weaving Company has installed much more capacity than what was licensed for the manufacture of both Viscose and Polynosic fibres ; and

(b) if so, what action Government propose to take against the Company ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI ABHA MAITI) : (a) This company has a licence capacity of 20,000 tonnes of viscose staple fibre per annum. It is a fact that this company has set up a capacity far in excess of the above quantity.

In respect of polynosic fibre, the company has a letter of intent to set up a capacity for 36,500 tonnes of fibre per year, against which the company's producing only about four to five thousand tonnes of fibre at present. Thus it will be seen that in respect of polynosic fibre, the company has not set up more capacity than what has been licensed for.

(b) The setting up of excess unauthorised capacity in viscose fibre at Nagda by this company is under reference to Commission of Inquiry on Large Industrial Houses (Sarkar Commission) for investigation and report. However, Government is also considering as to what action is possible in this matter.

#### **Reduction of Sale Price by J.C.I.**

4326. SHRI O. V. ALAGESAN : Will the Minister of INDUSTRY be pleased to state :

(a) whether Jute Corporation of India had reduced the sale price of Jute for 1975-76 season from Rs. 195.23 per quintal to Rs. 188.2 per quintal due to pressure from the Indian Jute Mills Association resulting in a loss of about Rs. 86 lakhs ; and

(b) if so, what was the basis for this concession extended to the jute mills ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI ABHA MAITI) : (a) and (b). In 1975-76 season Jute Corporation of India had sold internally procured jute to the industry on a cost plus basis under which the final price to be charged to the mills was to be fixed with the concurrence of the Joint Operations Committee. According to Corporation's contract with the industry, the Corporation was to charge interest only on the funds employed or invested for internal operations. However, while working out the cost, at the end of the season, Jute Corporation included interest on the gross amount of funds available with them. According to this calculation, the price of raw jute worked out to Rs. 195.23 per quintal. However, the industry disputed the element of interest included in the cost. After recalculation the cost of interest on funds employed or invested exclusively in internal operations, the price of jute was fixed at Rs. 188.20 per quintal.

The Corporation did not incur any loss in their internal operations in 1975-76.

#### **Setting up of Super Thermal Power Units**

4327. DR. SAROJINI MAHISHI :  
SHRI MUKHTIAR SINGH  
MALIK :

Will the Minister of ENERGY be pleased to state :

(a) the progress achieved in setting up the Super Thermal Power Units in the country .

(b) what are the terms with the World Bank for setting up these plants ; and

(c) what is the anticipated impact of these plants in the Industrial development in the country in the next five years ?

THE MINISTER OF ENERGY (SHRI P. RAMACHANDRAN) : (a) Government approval has been accorded for setting up large size thermal power stations in the Central Sector close to pithheads at the following locations :—

Location	Installed Capacity in MW
(1) Singrauli in Mirzapur District of Uttar Pradesh	600
(2) Korba in Bilaspur District of Madhya Pradesh	1100
(3) Ramagundam in Karimnagar District of Andhra Pradesh	1100
(4) Neyveli in South Arcot District of Tamil Nadu	630

The projects at Singrauli, Korba and Ramagundam are under execution by the National Thermal Power Corporation Limited (NTPC). The first 200 MW unit at Singrauli project is expected to be commissioned during 1981-82 and that at Ramagundam and Korba during 1982-83. The Neyveli thermal project is being executed by the Neyveli Lignite Corporation.

The Central Electricity Authority have considered a project report submitted by NTPC for setting up of a thermal power station at Farakka in the Eastern Region and have accorded techno-economic approval for installation of 1100 MW capacity. The proposal is being processed for an investment decision.

(b) Under an agreement with the International Development Association, which is the soft loan affiliate of the World Bank, a credit of US \$ 150 million and \$200 million has been obtained for partly financing the Singrauli and the Korba thermal power projects respectively. The Agreement provides for payment of service charges @ 3/4 per cent per annum on the principal amount of the credit withdrawn and outstanding from time to time and repayment of the principal amount in semi-annual instalments over a period of 50 years including a grace period of 10 years.

Under a Subsidiary Loan Agreement, the Government of India relends the proceeds of the credit to the National Thermal Power Corporation under terms and conditions, which *inter alia*, provide that NTPC shall : (i) pay to Government of India interest at an effective rate of 10½ and per cent per annum; (ii) repay the principal amount so relent over a period of twenty years, including a grace period of five years.

The agreement also provides for a Project Agreement between IDA and NTPC relating to execution of the project, management and operations, financial covenants and the procedure for award of contracts on the basis of international competitive bidding.

(c) The establishment of Super Thermal power Stations in the Central Sector located close to pithheads will enable the Centre to augment the installed capacity in the different regions as a supplement to the States' effort to ensure adequacy and reliability of power supply. This will have a favourable impact on the Industrial development in the country.

#### Reservation of Industries for Small Scale Industry

4328. SHRI DILIP CHAKRAVARTY : Will the Minister of INDUSTRY be pleased to state :

(a) whether all the 807 industries reserved for small scale industry (plant and machinery 10 lakhs) are capable of being established within upto Rs. 10 lakhs ;

(b) if so, then what are the steps being taken in joint marketing of products manufactured by small scale sector ; and

(c) what is the response so far of small scale sector in taking advantage of the new liberal policy of Janata Government ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI-MATI ABHA MAITI) : (a) Yes, Sir.

(b) Assistance in marketing products manufactured by Small Scale Industries is provided by a number of Small Industries Corporations in the States, including tendering to Government Departments and other semi Government agency on behalf of the small scale units. Export Corporations in some States have undertaken exports of SSI products. NSIC renders marketing assistance to small scale industries by a registration system which enables SSI units to quote for DGSD tenders in