

5

SOCIAL COMMITMENT AND PUBLIC
ENTERPRISE EFFICIENCY IN INDIA

I

INTRODUCTION

Like in other countries, Public Enterprises in India too have their twin objectives - economic and social. This dual set of responsibilities on the Public Enterprises makes efficiency-measurement difficult, and sometimes impossible, because of the fact that there has been hardly any attempt from any corner to define the two areas of Public Enterprise performance with much clarity. The Administrative Reforms Commission recommended a comprehensive and clear statement on the objectives and obligations of public undertakings, and the Government from time to time have been issuing guidelines and clarifications regarding various aspects of Public Enterprise management

which however cannot be regarded as categorical statement of the objectives and obligations of Indian Public Enterprises¹. In India, as in the U.K.², a broad understanding about the extent and quantum of social obligations does not exist. Due to this vagueness, till today, Public Enterprises remain to be judged by a variety of vague indices and we come across three types of Public Enterprises like the following :-

a) an enterprise over-burdened with non-economic considerations cannot justify itself with economic test. This type of enterprises may be found to be socially efficient enterprises when put to tests other than on economic ones;

Or b) an enterprises whose poor performance is not solely due to its non-economic considerations gets the scope of hiding its commercial inefficiency under the veil of social obligation. This type of enterprises may be found to be both socially and economically inefficient.

Or c) an enterprise enjoying monopoly power and which may be practising 'Resource-oriented pricing technique', shows commercial surplus (which is lower than what it ought to have earned because of its monopoly power) and gets the credit to be marked as efficient, though actually it is not so. Because it would have earned more

due to its monopoly power had it been managed efficiently. ✦

Therefore, the scope of proper evaluation of efficiency in Public Enterprises is limited even on the narrow consideration of profitability, because public enterprise profits are not solely due to their operating efficiency, and likewise, public enterprise losses are not solely due to their operating inefficiency. This is so because a Public Enterprise has got certain economies which come in the form of pricing, finance, licensing, marketing, etc. On the other hand a Public Enterprise has got certain diseconomies like meeting social needs in terms of community development, development of backward regions, employment to backward communities³, subsidised pricing and other uneconomic services. Both the economics and diseconomies affect the profit of a Public Enterprise. The diseconomies act as negative factors to an enterprise performance which reduce its profit while the economies act as positive factors thus inflating the profit. The economies generally act as premium on the Public Enterprise inefficiency. Hence, in order to arrive at the true performance of a Public Enterprise, both the economies and diseconomies attributable to it need suitable adjustments, though it is extremely difficult to quantify the above factors and much effort would be needed to evaluate their effects to arrive at "true" profits. This ✦

will not only help a proper evaluation of efficiency, but will also help in comparing Public Enterprise performance with that of its counterparts in the private sector.

II

OBJECTIVE

Since the wider social commitment in Public Enterprises is considered as the major aspect of Public Enterprise diseconomy - this Chapter attempts to re-examine the Public Enterprise performance with the adjustment of social commitment (in terms of capital and recurring expenditures on social overheads)⁴. Broadly, this Chapter has the following objectives :-

First, (1) to study the effect of social burden (in terms of recurring and capital expenditure on social overheads) on the rate of return of the enterprise⁵.

Secondly, (2) to examine how much a Public Enterprise loses (or gains) by making a social investment⁶.

III

D E S I G N

This study covers a sample of 25 Central Govt. Public Enterprises. for which the data were available, the data source being the published annual accounts⁷. In most cases, the data relate to the year 1984-85.

The sample has the following break-up :-

Classification according to Bureau of Public Enterprises Report (According to cognate group)	Number of Public Enterprises in the sample
a) Steel	1
b) Minerals and Metals	5
c) Petroleum	4
d) Chemicals, Fertilizers and Pharmaceuticals	2
e) Medium & Light Engineering	3
f) Consumer Goods	1
g) Textiles	1
h) Trading & Marketing Services	2
i) Contract & Construction Services	2
j) Industrial Development & Technical Consultancy Services	2
k) Transportation Services	1
l) Transportation Equipment	1
Total = 25	

Of the above mentioned 25 enterprises, 18 are profit making and 7 are enterprises running at a loss.

In order to review the performance of the undertakings with separation of their social commitment, their assets on social overheads and the expenditure on social overheads have been adjusted with the total assets and the profits/ losses of the enterprises.

For the present analysis :-

Business Investment = Total assets less assets on social overheads and fictitious assets.

Business Return = Profits (before prior period adjustments) less tax provision for the year plus net expenditure on social overheads.

Social Investment = Total assets on social overheads less depreciation.

The Return on Business Investment (ROBI) and the Return on Social Investment (ROSI) of the sample Public Enterprises have been calculated as below :-

$$\text{a) ROBI} = \frac{\text{Profit (Before Prior Period Adjustments) - Current Year's Tax Provision + Recurring Expenditure on Social Overheads}}{\text{Total Assets - Fictions Assets - Assets on Social Overheads.}} \times 100$$

$$b) \text{ ROSI} = \frac{\text{Social Receipts (Rent Receipts and Other Recoveries)}}{\text{Assets on Social Overheads.}} \times 100$$

IV

SOCIAL COMMITMENT AND RATE OF RETURN

Since the social obligation assumed by the Public Enterprises is much more than the private sector enterprises both in terms of capital cost and recurring expenditures, it is expected that such broader social commitment will have significant unfavourable impact on the rate of return of the Public Enterprise.

Here an attempt has been made to examine the effect of social considerations on the economic performance of the sample public undertakings. It is observed from Table: I that if social burden is removed, in most cases, it would have a favourable effect on the rate of return of the undertaking (as the column 3 gives the rate of return which the enterprises would have earned in the absence of any social commitment either by way of capital expenditure or for recurring expenses).

Table: I

Name of Enterprise	Rate of Return with social commitment ^a	Rate of Return without social commitment ^b	Rate of favourable impact
1	2	3	4
1. National Mineral Development Corporation Ltd.	1.43%	4.20%	2.77%
2. Uranium Corporation of India Ltd.	3.43%	8.99%	5.56%
3. Hindustan Organic Chemicals Ltd.	4.36%	6.14%	1.78%
4. Mineral & Metals Trading Corporation of India Ltd.	4.39%	5.52%	1.13%
5. Steel Authority of India Ltd.	- 2.98%	- 1.76%	1.22%
6. Hindustan Steel Works Construction Ltd.	- 1.40%	- 1.23%	0.17%
7. Neyveli Lignite Corporation Ltd.	5.71%	6.44%	0.73%
8. Hindustan Prefab Ltd.	-14.97%	-14.36%	0.61%
9. Metallurgical & Engineering Consultants (India) Ltd.	5.08%	7.56%	2.58%
10. National Textile Corporation (APKMM)	-26.01%	-25.10%	0.91%
11. H.M.T. Limited	4.17%	6.95%	2.78%
12. Lubrizol India Ltd.	6.65%	7.79%	1.14%
13. Handicrafts & Handlooms Export Corporation of India Ltd.	0.44%	0.59%	0.15%

/contd...

Table: I contd...

1	2	3	4
14. Madras Refineries Ltd.	3.76%	3.93%	0.17%
15. Bharat Electronics Ltd.	3.27%	4.54%	1.27%
16. Dredging Corporation of India Ltd.	5.37%	5.52%	0.15%
17. Hindustan Fertilizers Corporation Ltd.	- 9.68%	- 8.96%	0.72%
18. Indian Oil Corporation Ltd.	3.27%	3.82%	0.55%
19. Instrumentation Ltd.	1.46%	2.90%	1.44%
20. Bharat Aluminium Company Ltd.	-16.88%	-16.80%	0.08%
21. National Newsprint & Paper Mills Ltd.	1.36%	4.41%	3.05%
22. Bongaigaon Refinery & Petrochemicals Ltd.	1.03%	1.28%	0.25%
23. Projects & Development India Ltd.	-16.42%	- 4.36%	12.06%
24. Goa Shipyard Ltd.	1.80%	1.88%	0.08%
25. Indian Rare Earths Ltd.	4.02%	4.35%	0.33%
a. Profit (before prior period adjustment) less tax provision for the current year			
			x 100
Total Assets Less Fictitious Assets			
b. Profit (before prior period adjustment) + Net expenditure on Social overheads - Tax provision for the current year			
			x 100
Total Assets Less (Fictitious Assets + Assets on Social overheads)			

An analysis of the rate of favourable impact (Table:II) on the enterprise performance (in increasing profit/reducing loss) reveals that in most of the cases the rate of favourable effect is below 1% which may not help in

Table:II

Rate of favourable effect	No. of Public Enterprises
Below - 1%	13 (52%)
1% - 2%	6 (24%)
2% - 3%	3 (12%)
3% - 4%	1 (4%)
4% and above	2 (8%)
Total	= 25 (100%)

justifying the poor economic performance of an enterprise due to social burdens; but a sizeable difference (say an increase of 3%, 5% or more) surely establishes the case for those enterprises to justify for the higher social burden having greater impact on the rate of return with social commitment. In case of this category of Public Enterprises, removal of social commitment may make them comparable with their counterparts in the private sector (subject to adjustment of other factors).

RATE OF BUSINESS RETURN AND RATE OF SOCIAL RECEIPTS — A COMPARISON

A look into the comparative figures of Rate of Business return and the Rate of Social Receipts (Table:III) for all the Central Government Public Enterprises for the

Table:III

(Rs. in crores)

Year	Asset on Social overheads	Income from Rent Receipts etc.	Gross Fixed assets less assets on social overheads	Post Tax Profit plus net Expenditure on social overheads	ROBI	ROSI
1980-81	650	30	20858	34	0.16%	4.6%
1981-82	775	26	24849	732	2.9%	3.4%
1982-83	887	25	31085	995	3.2%	2.8%
1983-84	1041	33	37826	699	1.8%	3.2%
1984-85	1273	35	46050	1516	3.3%	2.7%

last 5 years reveals that during the three years (i.e. 1980-81, 1981-82 and 1983-84), the Public Enterprises failed to earn a business return (after segregation of social burden) equivalent to the rate of social receipts. During 1982-83

and 1984-85, however, the rate of business return seems to be little higher than the rate of social receipts⁸.

When we turn to enterprise level analysis with figures of twenty five Public Enterprises (Table:IV), we find that

Table:IV

Comperative ROBI and ROSI of Public Enterprises

Undertakings	ROBI	ROSI	Gain (+)/ Loss (-)
1. National Mineral Development Corporation Ltd.	4.20%	2.98%	(-)
2. Uranium Corporation of India Ltd.	8.99%	6.73%	(-)
3. Hindustan Organic Chemicals Ltd.	6.14%	6.24%	(+)
4. Mineral & Metals Trading Corporation of India Ltd.	5.52%	2.87%	(-)
5. Neyveli Lignite Corporation Ltd.	6.44%	11.63%	(+)
6. Metallurgical & Engineering Consultants (India) Ltd.	7.66%	2.62%	(-)
7. H.M.T. Limited	6.95%	4.72%	(-)
8. Lubrizol India Ltd.	7.79%	0.56%	(-)
9. Handicrafts & Handlooms Export Corporation of India Ltd.	0.59%	3.36%	(+)
10. Madras Refineries Ltd.	3.93%	0.00%	(-)
11. Bharat Electronics Ltd.	4.54%	11.26%	(+)

/contd...

/Table:IV contd...

12. Dredging Corporation of India Ltd.	5.52%	14.53%	(+)
13. Indian Oil Corporation Ltd.	3.97%	4.49%	(+)
14. Instrumentation Ltd.	2.90%	3.68%	(+)
15. National Newsprint & Paper Mills Ltd.	4.41%	6.30%	(+)
16. Bongaigaon Refinery & Petrochemicals Ltd.	1.28%	0.46%	(-)
17. Goa Shipyard Ltd.	1.88%	0.31%	(-)
18. Indian Rare Earths Ltd.	4.35%	4.58%	(+)
19. Steel Authority of India Ltd.	(-)1.76%	6.17%	(+)
20. Hindustan Steel Works Construction Ltd.	(-)1.23%	10.15%	(+)
21. Hindustan Prefab Ltd.	(-)14.36%	4.59%	(+)
22. National Textile Corporation (APKKM) Ltd.	(-)25.10%	35.67%	(+)
23. Hindustan Fertilizers Corporation Ltd.	(-) 8.96%	6.20%	(+)
24. Bharat Aluminium Company Ltd.	(-)16.80%	2.69%	(+)
25. Projects & Development India Ltd.	(-) 4.36%	27.14%	(+)

60% of those Public Enterprises fall under the category in which the earning capacity on the business investment is lower than the rate of social receipts against the social investment. The remaining 40% of the Public Enterprises, are however, maintaining varying levels of business return over the rate of social return. Subject to considerations of other factors, enterprises whose ROBI is less than the ROSI cannot be spared for their commercial inefficiency on the ground of social obligation (in terms of Social Investment). This category of Public Enterprises could not have earned more had they put their social investment in the form of business investment.

This form of analysis may not be the sole yardstick of Public Enterprise performance evaluation because there are other factors which contribute to the poor performance of the Public Enterprises. But, of course, this comparison acts as a pointer to the fact that the social investment made by the Public Enterprises has not been the source of Public Enterprise loss always.

VI

LIMITATIONS OF THIS ANALYSIS

1. This study covers a small sample of twenty five Central Govt. Public Enterprises. An attempt with a larger

sample may give more dependable results.

2. The mode of computing Business Investment and Business Return may not be easily acceptable to all as several adjustments are to be made to arrive at the 'true' Business Investment or Business Return.
3. The recurring and capital expenditures on social overheads in Public Enterprises do not reflect the true social burden of the Public Enterprises. Also, there are unidentifiable or unquantifiable social performances⁹.
4. This study deals with a single item of Public Enterprise diseconomy-the social burden. An attempt to assess the Public Enterprise efficiency with adjustments of all economies and diseconomies will be a good move. However, all such diseconomies and economies are not identifiable or quantifiable.

VII

SUMMING UP

1. The performance of Public Enterprises as exhibited through the financial accounts, do not reflect their actual performance. It is only after the adjustments of the different economies and diseconomies that are

attributed to a particular Public Enterprise we arrive at the 'true' performance.

2. Removal of social burden from the Public Enterprises shows a favourable effect on the rate of return of the firm which, however, varies from enterprise to enterprise. Public Enterprises with higher rate of such favourable effect may justify their poor performance due to non-economic social burden. But lower rate of such effect (say 1% or less) does not make a case for justifying poor performance due to its social burden. In the former case, performance of these enterprises (after segregation of social burden) may make them comparable with their counterparts in the Private Sector.
3. The comparative earning figures (ROBI & ROSI), considering all the Central Government Public Enterprises as well as a small sample of these Public Enterprises, support the view that social investment in Public Enterprises does not necessarily mean a losing investment always (as compared to the earning capacity of the Public Enterprise on its business investment), rather sometimes it adds to the Public Enterprise earning.

NOTES & REFERENCES

1. "Government should make a comprehensive and clear statement on the objectives and obligations of public undertakings. This statement should lay down the broad principles for determining the precise financial and economic obligations of the enterprise in matters such as creation of various reserves, the extent to which the enterprises should undertake the responsibility of self financial, the anticipated returns on the capital employed and the basis for working out rational wage structures and pricing policies".
Quoted in the Editorial of Lok Udyog (August, 1969) pp.475-76 .

2. White Paper on Nationalised Industries, Comnd, 1437, 1961.

3. Employment in the Public Sector recorded an increase of 2.3% from 168 lakhs at the end of March, 1984, to 172 lakhs at the end of March, 1985. Employment in the private sector registered a nominal decline of 0.6% from 75 lakhs at the end of March, 1984 to 74 lakhs at the end of March, 1985. At the end of June,

1985, public sector employment at 173 lakhs was 3.2% higher than that a year ago, while the organised private sector employment was nominally lower by 0.2% at 73 lakhs over the level of employment at the end of June, 1984.

4. See, Annexures I.1 to I.13 for sectoral incidence of township and social overheads.
5. Professor Laxmi Narain's work 'Township Outlay' with a sample of 10 Public Enterprises shows that if township burden is removed, in most cases it has a favourable effect on the rate of return on capital employed (IPE Seminar at Bangalore, September, 1969).
6. Similar effort by the present author with a sample of 18 profit-making Public Enterprises shows that 50% of those enterprises earned a return on business investment which is lower than the return on social investment. See, my work 'Social Investment - A Source of Public Enterprise Loss (or Gain)', DECISION, Vol.16, No.1, Jan.-March, 1989.
7. In most cases information is based on the disclosures in the Annual Reports required by the Govt. of India, Ministry of Finance, O.M.No.BPE-1(17)/Adv(f)/69 dated 5.3.1969.
8. During 1984-85, the total capital investment on township rose to Rs. 1273.04 crores and the gross expenditure on township maintenance, administration and social overheads was Rs. 621.58 crores.

9. The amount of social expenditures as disclosed in the annual accounts are incomplete in the sense that they do not include the unquantifiable or unidentifiable items like antipollution activities, development of small-scale ancilliary sectors, etc. For detailed discussion on Pollution Disclosures see my work 'Pollution Disclosure in India', The Chartered Accountant, July 1988, pp.20-22.

Annexure: I

INCIDENCE OF TOWNSHIP AND SOCIAL OVERHEADS - STEEL SECTOR
(Rs. in crores)

	1984-85	1983-84
Capital Cost of Township ..	312.52	284.48
Township Maintenance :-		
Township Office & Administration ..	53.09	50.97
Depreciation on Township Outlay ..	7.26	3.60
Interest On Township Outlay ..	0.00	0.00
Total Gross Expenditure on Township ..	60.35	54.57
Less : Rent Receipts and Other Recoveries ..	12.66	11.25
Net excess of expenditure over Income on Township ..	47.69	43.32
Other Social Overheads :-		
Education, Medical facilities, Social and Cultural Activities, Transport subsidy etc. ..	61.49	60.99
Total Township Maintenance and Social Overheads ..	109.18	104.31
Number of employees eligible for accommodation ..	N.A.	246134
Number of total employees ..	250314	248793
Number of Houses Constructed ..	130618	126050
Number of Houses Under Construction ..	8870	110
Per Capita Expenditure on Social Overheads (in Rs.) ..	4361.7	4192.6
Percentage of Satisfaction (Housing) ..	N.A.	51.2
Percentage of Maintenance to Capital Cost ..	17.0	17.9

Source : Public Enterprises Survey

Annexure :II

INCIDENCE OF TOWNSHIP AND SOCIAL OVERHEADS - Minerals and Metals (Rs. in crores)

	1984-85	1983-84
Capital Cost of Township ..	115.55	129.29
Township Maintenance :-		
Township Office & Administration ..	16.89	14.69
Depreciation on Township		
Outlay ..	3.52	3.30
Interest On Township Outlay ..	1.86	1.54
Total Gross Expenditure on Township ..	22.27	19.53
Less : Rent Receipts and Other Recoveries ..	3.51	3.16
Net excess of expenditure over Income on Township ..	18.76	16.37
Other Social Overheads :-		
Education, Medical facilities, Social and Cultural activities, Transport subsidy etc. ..	18.31	14.67
Total Township Maintenance and Social Overheads ..	37.07	31.04
Number of employees eligible for accomodation ..	102026	99924
Number of total employees ..	111207	109556
Number of Houses Constructed ..	58734	60118
Number of Houses Under Construction ..	2083	3264
Per Capita Expenditure on Social Overheads (in Rs.) ..	3333.4	2833.3
Percentage of Satisfaction (Housing) ..	57.6	60.2
Percentage of Maintanence to Capital Cost ..	14.6	11.4

Source : Public Enterprises Survey

Annexure : III

INCIDENCE OF TOWNSHIP AND SOCIAL OVERHEADS - COAL SECTOR
(Rs. in crores)

	1984-85	1983-84
Capital Cost of Township ..	169.90	158.42
Township Maintenance :-		
Township Office & Administration ..	22.12	9.56
Depreciation on Township		
Outlay ..	6.86	5.47
Interest On Township Outlay ..	0.00	0.00
Total Gross Expenditure on Township ..	28.98	15.03
Less : Rent Receipts and Other Recoveries ..	1.54	2.75
Net excess of expenditure over Income on Township ..	27.48	12.28
Other Social Overheads :-		
Education, Medical facilities, Social and Cultural Activities, Transport subsidy etc. ..	104.33	89.28
Total Township Maintenance and Social Overheads ..	131.82	101.56
Number of employees eligible for accomodation ..	458873	484482
Number of total employees ..	554757	587461
Number of Housed Constructed ..	168045	205386
Number of Houses Under Construction ..	7831	17536
Per Capita Expenditure on Social Overheads (in Rs.) ..	2376.2	1728.8
Percentage of Satisfaction (Housing) ..	34.6	42.4
Percentage of Maintenance to Capital Cost ..	13.0	6.0

Source : Public Enterprises Survey

Annexure:IV

INCIDENCE OF TOWNSHIP AND SOCIAL OVERHEADS - POWER SECTOR
(Rs. in crores)

	1984-85	1983-84
Capital Cost of Township ..	105.57	64.94
Township Maintenance :-		
Township Office & Administration ..	2.23	2.25
Depreciation on Township Outlay ..	0.98	3.62
Interest On Township Outlay ..	0.99	0.82
Total Gross Expenditure on Township..	4.20	6.69
Less : Rent Receipts and Other Recoveries ..	0.35	0.30
Not excess of expenditure over Income on Township ..	3.85	6.39
Other Social Overheads :-		
Education, Medical facilities, Social and Cultural activities, Transport subsidy etc. ..	3.27	2.09
Total Township Maintenance and Social Overheads ..	7.12	8.48
Number of employees eligible for accomodation ..	17739	15002
Number of total employees ..	17739	15002
Number of Houses constructed ..	4417	8258
Number of Houses Under Construction ..	94	2493
Per Capita Expenditure on Social Overheads (in Rs.) ..	4013.8	5652.6
Percentage of Satisfaction (Housing) ..	22.5	43.0
Percentage of Maintenance to Capital Cost ..	2.1	3.5

Source : Public Enterprises Survey

Annexure:V

INCIDENCE OF TOWNSHIP AND SOCIAL OVERHEADS - PETROLEUM
(Rs. in crores)

	1984-85	1983-84
Capital Cost of Township	153.03	136.73
Township Maintenance :-		
Township Office & Administration	16.32	12.57
Depreciation on Township Outlay	12.38	15.45
Interest On Township Outlay	11.45	9.05
Total Gross Expenditure on Township	40.15	37.07
Less : Rent Receipts and Other Recoveries	3.31	2.86
Net excess of expenditure over Income on Township	36.84	34.21
Other Social Overheads :-		
Education, Medical facilities, Social and Cultural activities, Transport subsidy etc.	55.46	49.13
Total Township Maintenance and Social Overheads	92.30	83.34
Number of employees eligible for accomodation	63156	57750
Number of total employees	101039	92544
Number of Houses Constructed	27198	22590
Number of Houses Under Construction	3863	5053
Per Capita Expenditure on Social Overheads (in Rs.)	9135.1	9005.4
Percentage of Satisfaction (Housing)	43.1	39.1
Percentage of Maintainece to Capital Cost	10.7	9.2

Source : Public Enterprises Survey

Annexure:VI

INCIDENCE OF TOWNSHIP AND SOCIAL OVERHEADS - Chemicals,
Fertilizers & Pharmaceuticals
(Rs. in crores)

	1984-85	1983-84
Capital Cost of Township ..	130.06	109.44
Township Maintenance :-		
Township Office & Administration ..	13.96	13.06
Depreciation on Township Outlay..	13.97	4.69
Interest On Township Outlay ..	1.29	1.23
Total Gross Expenditure on Township ..	29.22	18.98
Less : Rent Receipts and Other Recoveries ..	4.50	4.11
Net excess of expenditure over Income on Township ..	24.72	14.87
Other Social Overheads :-		
Education, Medical facilities, Social and Cultural Activities, Transport subsidy etc. ..	27.74	24.58
Total Township Maintenance and Social Overheads ..	52.46	39.45
Number of employees eligible for accomodation ..	65829	58501
Number of total employees ..	83806	80779
Number of Houses Constructed ..	37001	34645
Number of Houses Under Construction ..	471	972
Per Capita Expenditure on Social Overheads (in Rs.) ..	6259.7	4883.7
Percentage of Satisfaction (Housing) ..	56.2	59.2
Percentage of Maintainence to Capital Cost ..	10.7	11.9

Source : Public Enterprises Survey

Annexure:VII

INCIDENCE OF TOWNSHIP AND SOCIAL OVERHEADS - Heavy Engineering

(Rs. in crores)

	1984-85	1983-84
Capital Cost of Township	105.03	34.13
Township Maintenance :-		
Township Office & Administration	17.80	1.67
Depreciation on Township Outlay	19.44	0.75
Interest On Township Outlay	0.00	0.00
Total Gross Expenditure on Township	37.24	2.42
Less : Rent Receipts and Other Recoveries	4.27	3.99
Net excess of expenditure over Income on Township	32.97	- 1.57
Other Social Overheads :-		
Education, Medical facilities, Social and Cultural Activities, Transport subsidy etc.	25.34	21.84
Total Township Maintenance and Social Overheads	58.31	20.27
Number of employees eligible for accomodation	40806	43497
Number of total employees	146035	146894
Number of Houses Constructed	46687	46741
Number of Houses Under Construction	2084	2145
Per Capita Expenditure on Social Overheads (in Rs.)	3992.8	1379.9
Percentage of Satisfaction (Housing)	114.8	107.5
Percentage of Maintainence to Capital Cost	16.9	4.9

Source : Public Enterprises Survey

Annexure:VIII

INCIDENCE OF TOWNSHIP AND SOCIAL OVERHEADS - Medium &
Light Engineering

(Rs. in crores)

	1984-85	1983-84
Capital Cost of Township ..	30.02	25.11
Township Maintenance :-		
Township Office & Administration ..	8.70	7.21
Depreciation on Township Outlay ..	6.36	5.67
Interest On Township Outlay ..	0.76	0.68
Total Gross Expenditure on Township ..	15.82	13.56
Less : Rent Receipts and Other Recoveries ..	0.67	0.84
Net excess of expenditure over Income on Township ..	15.15	12.72
Other Social Overheads :-		
Education, Medical facilities, Social and Cultural Activities, Transport subsidy etc. ..	17.21	14.47
Total Township Maintenance and Social Overheads ..	32.36	27.19
Number of employees eligible for accomodation ..	70745	58206
Number of total employees ..	115573	112825
Number of Houses Constructed ..	13030	11641
Number of Houses Under Construction ..	1621	1538
Per Capita Expenditure on Social Overheads (in Rs.) ..	2800.0	2409.9
Percentage of Satisfaction (Housing) ..	18.4	20.0
Percentage of Maintanence to Capital Cost ..	29.0	28.7

Source : Public Enterprises Survey

Annexure:IX

INCIDENCE OF TOWNSHIP AND SOCIAL OVERHEADS - TRANSPORTATION EQUIPMENT
(Rs. in crores)

	<u>1984-85</u>	<u>1983-84</u>
Capital Cost of Township ..	50.94	35.80
Township Maintenance :-		
Township Office & Administration ..	4.00	3.27
Depreciation on Township Outlay ..	1.30	1.83
Interest On Township Outlay ..	0.03	0.03
Total Gross Expenditure on Township ..	5.33	5.13
Less : Rent Receipts and Other Recoveries ..	1.89	1.63
Net excess of expenditure over Indome on Township ..	3.44	3.50
Other Social Overheads :-		
Education, Medical facilities, Social and Cultural Activities, Transport subsidy etc. ..	9.86	6.73
Total Township Maintenance and Social Overheads ..	13.30	10.23
Number of employees eligible for accomodation ..	54516	53752
Number of total employees ..	109142	104451
Number of Houses Constructed ..	17722	16188
Number of Houses Under Construction ..	837	1870
Per Capita Expenditure on Social Overheads (in Rs.) ..	1218.6	979.4
Percentage of Satisfaction (Housing) ..	32.5	30.1
Percentage of Maintenance to Capital Cost ..	7.9	9.1

Source : Public Enterprise Survey

Annexure :X

INCIDENCE OF TOWNSHIP AND SOCIAL OVERHEADS - CONSUMER
GOODS

(Rs. in crores)

	1984-85	1983-84
Capital Cost of Township ..	15.68	7.70
Township Maintenance :-		
Township Office & Administration ..	1.29	0.70
Depreciation on Township Outlay ..	1.00	0.85
Interest On Township Outlay ..	0.07	0.00
Total Gross Expenditure on Township ..	2.37	1.55
Less : Rent Receipts and Other Recoveries ..	0.27	0.24
Net excess of expenditure over Income on Township ..	2.09	1.31
Other Social Overheads :-		
Education, Medical facilities, Social and Cultural Activities, Transport subsidy etc. ..	2.03	0.99
Total Township Maintenance and Social Overheads ..	4.12	2.30
Number of employees eligible for accomodation ..	8752	6734
Number of total employees ..	26884	51947
Number of Houses Constructed ..	4514	3357
Number of Houses Under Construction ..	117	80
Per Capita Expenditure on Social Overheads (in Rs.) ..	1532.5	442.8
Percentage of Satisfaction (Housing) ..	51.6	49.9
Percentage of Maintainence to Capital Cost ..	8.2	9.1

Source : Public Enterprises Survey

Annexure:XI

INCIDENCE OF TOWNSHIP AND SOCIAL OVERHEADS - TRANSPORTATION SERVICES
(Rs. in crores)

	1984-85	1983-84
Capital Cost of Township ..	10.50	8.28
Township Maintenance :-		
Township Office & Administration ..	1.05	0.91
Depreciation on Township Outlay ..	0.34	0.42
Interest On Township Outlay ..	0.00	0.00
Total Gross Expenditure on Township ..	1.39	1.33
Less : Rent Receipts and Other Recoveries ..	0.37	0.35
Net excess of expenditure over Income on Township ..	1.02	0.98
Other Social Overheads :-		
Education, Medical facilities, Social and Cultural Activities, Transport subsidy etc. ..	29.69	17.56
Total Township Maintenance and Social Overheads ..	30.69	18.54
Number of employees eligible for accomodation ..	15968	15908
Number of total employees ..	98340	96345
Number of Houses Constructed ..	3201	3091
Number of Houses Under Construction ..	198	297
Per Capita Expenditure on Social Overheads (in Rs.) ..	3120.8	1924.3
Percentage of Satisfaction (Housing) ..	20.0	19.4
Percentage of Maintainence to Capital Cost ..	10.0	11.0

Source : Public Enterprises Survey

Annexure :XII

INCIDENCE OF TOWNSHIP AND SOCIAL OVERHEADS - Contracts &
Construction (Rs. in crores)

	1984-85	1983-84
Capital Cost of Township ..	8.34	6.18
Township Maintenance :-		
Township Office & Administration ..	0.38	0.16
Depreciation on Township Outlay ..	0.39	0.23
Interest On Township Outlay ..	0.00	0.00
Total Gross Expenditure on Township ..	0.72	0.39
Less : Rent Receipts and Other Recoveries ..	0.25	0.26
Net excess of expenditure over Income on Township ..	0.47	0.13
Other Social Overheads :-		
Education, Medical facilities, Social and Cultural Activities, Transport subsidy etc. ..	3.19	2.03
Total Township Maintenance and Social Overheads ..	3.66	2.16
Number of employees eligible for accomodation ..	6682	1220
Number of total employees ..	39557	39294
Number of Houses Constructed ..	5690	5173
Number of Houses Under Construction ..	303	329
Per Capita Expenditure on Social Overheads (in Rs.) ..	925.2	549.7
Percentage of Satisfaction (Housing) ..	85.2	424.0
Percentage of Maintainence to Capital Cost ..	4.0	2.6

Source : Public Enterprises Survey

Annexure :XIII

**INCIDENCE OF TOWNSHIP AND SOCIAL OVERHEADS - Industrial
Dev. & Tech. Consult.**
(Rs. in crores)

	<u>1984-85</u>	<u>1983-84</u>
Capital Cost of Township ..	10.84	12.95
Township Maintenance :-		
Township Office & Administration ..	4.29	3.88
Depreciation on Township Outlay ..	1.00	0.35
Interest On Township Outlay ..	0.11	0.11
Total Gross Expenditure on Township ..	5.40	4.34
Less : Rent Receipts and Other Recoveries ..	0.38	0.32
Net excess of expenditure over Income on Township ..	5.02	4.02
Other Social Overheads :-		
Education, Medical facilities, Social and Cultural Activities, Transport subsidy etc. ..	3.10	1.71
Total Township Maintenance and Social Overheads ..	8.12	5.73
Number of employees eligible for accomodation ..	8893	9994
Number of total employees ..	18160	17897
Number of Houses Constructed ..	3564	1944
Number of Houses Under Construction ..	628	63
Per Capita Expenditure on Social Overheads (in Rs.) ..	4471.4	3201.8
Percentage of Satisfaction (Housing) ..	40.1	19.5
Percentage of Maintainence to Capital Cost ..	39.6	30.0

Source : Public Enterprises Survey