

29

**STANDING COMMITTEE
ON ENERGY
(1995-96)**

TENTH LOK SABHA

MINISTRY OF POWER

DEMANDS FOR GRANTS (1995-96)

*[Action Taken by the Government on the Recommendations
contained in the 20th Report of the Standing Committee
on Energy (Tenth Lok Sabha)]*

TWENTY-NINTH REPORT



सत्यमेव जयते

Jaswant Singh

CHAIRMAN COMMITTEE ON ENERGY

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**LOK SABHA SECRETARIAT
NEW DELHI**

December, 1995/Agrahayana, 1917 (Saka)

Abbreviations used in the 26th Report of
Standing Committee on Energy

Sl. No.	Abbreviation	Word
1.	APSEB	Andhra Pradesh State Electricity Board.
2.	BHEL	Bharat Heavy Electricals Ltd.
3.	CCFI	Cabinet Committee on Foreign Investment
4.	CEA	Central Electricity Authority
5.	CII	Confederation of Indian Industry
6.	CIL	Coal India Ltd.
7.	CMD	Chairman & Managing Director
8.	DEA	Department of Economic Affairs
9.	DESU	Delhi Electricity Supply Undertaking
10.	DFC	Dabhol Power Company
11.	ECB	External Commercial Borrowing
12.	EPS	Electric Power Survey
13.	FIPB	Foreign Investment Promotion Board
14.	GAIL	Gas Authority of India Ltd.
15.	GDP	Gross Domestic Product
16.	GOI	Government of India
17.	GOM	Government of Maharashtra
18.	IFI	Indian Financial Institutions
19.	IPP	Independent Power Producers
20.	IRR	Internal Rate of Return
21.	MOP	Ministry of Power
22.	MOU	Memorandum of Understanding
23.	SEB	State Electricity Boards
24.	NEEFCO	North-Eastern Electric Power Corporation
25.	NHPC	National Hydro-Electric Power Corporation
26.	NTPC	National Thermal Power Corporation
27.	PGCIL	Power Grid Corporation of India Ltd.
28.	PLF	Plant Load Factor
29.	PSUs	Public Sector Undertakings
30.	REBS	Regional Electricity Boards
31.	REC	Rural Electric Corporation
32.	RFQ	Request for Qualifications
33.	RLDCs	Regional Load Despatch Centres
34.	ROR	Rate of Return
35.	SCCL	Singreni Collieries Company Ltd.
36.	SEBs	State Electricity Boards
37.	UPSEB	Uttar Pradesh State Electricity Board

TWENTY-NINTH REPORT
STANDING COMMITTEE ON
ENERGY
(1995-96)

(TENTH LOK SABHA)

MINISTRY OF POWER
—DEMANDS FOR GRANTS (1995-96)

*[Action Taken by the Government on the recommendations contained
in the 20th Report of the Standing Committee on Energy
(Tenth Lok Sabha)]*

Presented to Lok Sabha on _____

Laid in Rajya Sabha on _____



LOK SABHA SECRETARIAT
NEW DELHI

December, 1995/Agrahayana, 1917 (Saka)

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Seventh Edition) and Printed by M/s. Jainco Art India, 1/21, Sarvapriya Vihar, New Delhi-110016.

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
COMPOSITION OF THE ACTION TAKEN SUB-COMMITTEE	(v)
INTRODUCTION	(vii)
CHAPTER I Report	1
CHAPTER II Recommendations/Observations that have been accepted by the Government	3
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies	17
CHAPTER IV Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee	21
CHAPTER V Recommendations/Observations in respect of which final replies of the Government are still awaited	22

APPENDICES

I. Extracts of the Minutes of First Sitting of Action Taken Sub-Committee of Standing Committee on Energy (1995-96) held on 6.9.1995.	23
II. Extracts of the Minutes of Third Sitting of Action Taken Sub-Committee of Standing Committee on Energy (1995-96) held on 16.11.1995.	25
III. Extracts of the Minutes of Fourth Sitting of Action Taken Sub-Committee of Standing Committee on Energy (1995-96) held on 6.12.95.	27
IV. Minutes of the 9th sitting of the Standing Committee on Energy (1995-96) held on 11th December, 1995	28
V. Analysis of Action Taken by Government on the recommendations contained in the Twentieth Report of Standing Committee on Energy (10th Lok Sabha)	30

COMPOSITION OF THE STANDING COMMITTEE ON ENERGY
(1995-96)

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6. Shri Khelan Ram Jangde
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21. Shri Anil Basu
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23. Shri Rajesh Kumar

* Ceased to be a member of the Committee consequent upon his appointment as Minister in the Union Council of Ministers w.e.f. 13.10.1995.

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- **37. Shri J.S. Raju
38. Shri T. Venkatram Reddy
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41. Dr. Naunihal Singh
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2. Smt. Roli Srivastava — *Joint Secretary*
3. Shri G.R. Juneja — *Deputy Secretary*
4. Shri A. Louis Martin — *Under Secretary*

* Ceased to be a Member of the Committee consequent upon his appointment as Minister in the Union Council of Ministers w.e.f. 13.10.1995.

** Ceased to be a Member of the Committee consequent on his retirement from Rajya Sabha w.e.f. 24.7.1995.

COMPOSITION OF ACTION TAKEN SUB-COMMITTEE OF
STANDING COMMITTEE ON ENERGY (1995-96)

CONVENOR

Shri Shiv Charan Mathur

MEMBERS

2. Shri Parasram Bhardwaj
- *3. Dr. Krupasindhu Bhoi
4. Shri P.C. Chacko
5. Shri Dalbir Singh
6. Shri Khelan Ram Jangde
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19. Shri T. Venkatram Reddy
20. Shri Rajni Ranjan Sahu
21. Dr. Naunihal Singh
22. Smt. Kamla Sinha

* Ceased to be a Member of the Committee consequent upon his appointment as Minister in the Union Council of Ministers w.e.f. 13.10.1995.

INTRODUCTION


I, the Chairman, Standing Committee on Energy, having been authorised by the Committee to present the Report on their behalf, present this Twenty-Ninth Report (Tenth Lok Sabha) on Action Taken by the Government on the recommendations contained in the 20th Report of the Standing Committee on Energy (Tenth Lok Sabha) on "demands for Grants (1995-96) of the Ministry of Power".

2. The 20th Report of the Standing Committee on Energy was presented to Lok Sabha on 3rd May, 1995. Replies of the Government to all the recommendations contained in the report were received on 18th September, 1995. The Action Taken Sub-Committee at their sitting held on 6.9.1995 considered the draft report and decided to collect further information on certain points. The Action Taken Sub-Committee also considered the draft report at their sitting held on 16.11.1995. The Standing Committee on Energy considered and adopted this report at their sitting held on 11th December, 1995.

3. The Committee place on record their appreciation for the work done by the Action Taken Sub-Committee (1995-96) of Standing Committee on Energy.

4. an analysis of the action taken by the Government on the recommendations contained in the 20th Report of the Committee is given in Appendix-V.

NEW DELHI;
13 December, 1995
22 Agrahayana, 1917 (Saka)


IASWANT SINGH,
Chairman,
Standing Committee on Energy.

CHAPTER I

REPORT

The Report of the Committee deals with Action Taken by the Government on the recommendations contained in the 20th Report (Tenth Lok Sabha) of the Standing Committee on Energy on Demands for Grants (1995-96) of Ministry of Power which was presented to Lok Sabha on 3rd May, 1995.

2. The Action Taken Notes have been received from the Government in respect of all the 11 recommendations contained in the Report. These have been categorised as follows:

- (i) Recommendations/Observations which have been accepted by the Government: Sl. Nos. 1, 4, 5, 6, 7, 8, 9, 11
- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies: Sl. Nos. 2, 3
- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee: Sl. No. -NIL-
- (iv) Recommendations/Observations in respect of which final replies of the Government are still awaited: Sl. No. 10

3. The Committee require that final replies in respect of the recommendations for which only interim replies have been given by the Government ought to be furnished to the Committee at the earliest.

4. The Committee will now deal with the Action Taken by the Government on some of their recommendations.

Non-utilisation of External Assistance

Recommendation Sl. No. 5

5. The Committee had observed from the Economic Survey 1994-95 that the total undisbursed balance of external assistance in the Power Sector by the end of March, 1994 stood at Rs. 18,316 crores. By the end of November 1994, cancellations of IBRD loans to various power projects had reportedly been estimated to be Rs. 165 crores. The Committee expressed grave concern that in the context of paucity

of resources with Central/State Public Sector undertakings and SEBs, the funds available from external sources were allowed to go unutilised.

6. The Ministry of Power have *inter-alia* stated in their reply that in the State Sector there have been certain operational problems in the utilisation of External Assistance arising largely on account of inadequate budget provisions. The Ministry has further stated that the Planning Commission has, however, now agreed to earmark the requisite funds for these projects while approving the plan outlays for the States and also the new external loans are being directly sanctioned and released to the implementing agencies, both in the Central and the State Sectors so as to ensure their flow of funds to them. The Ministry has also stated that problems connected with relief and rehabilitation, e.g. Sarder Sarovar) delays in procurement of machinery e.g. (North Madras TPS) as well as lack of law and order in certain States (Uri and Dulhasti in J & K) have also contributed to the slow pace of utilisation of external assistance.

7. The Committee note that in the context of non-utilisation of external assistance arising largely on account of inadequate budget provisions, the Planning Commission has agreed to earmark requisite funds for project while approving the plan outlays for the States. The Committee desire that it should be ensured that commitments regarding contribution of their share of funds are fulfilled.

Provision of Funds under Erroneous Head

Recommendation Sl. No. 10

8. The Committee were surprised why provision of as much as Rs. 12.51 crores had been made in the Budget for Central Transmission Lines Project which had already been commissioned. The Committee felt that the position needed to be clarified.

9. The Ministry of Power have, *inter-alia*, stated in their reply that the provision of Rs. 12.51 crores in 1995-96 is to create a buffer stock which is used for various other ongoing and approved transmission projects and is chargeable to those projects. As and when inventory of such buffer-stock is diverted to other projects, the corresponding cost is debited to the new project and a corresponding credit passed on to the Central Transmission Line Project.

10. The Committee doubt whether this is in line with the established budgetary and accounting practice. The Committee desire that this matter should be referred to the Comptroller and Auditor General for their advice and on the basis of the advice, the accounting practice reviewed, if necessary.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation Sl. No. 1

Sector-wise distribution of the Budgetary Support of the Ministry for 1994-95 and 1995-96 is as follows:—

		(Rs. in crores)			
Sl. No.	Sector	1994-95	1995-96		
			Non-Plan	Plan	Total
(a) CENTRAL SECTOR					
1.	Secretariat Economic Services	3.06	3.50	—	3.50
2.	C.E.A.	37.05	13.75	28.31	42.06
3.	Generation				
	(i) Thermal	1705.84	430.00	719.45	1149.45
	(ii) Hydro	909.59	—	817.85	817.85
4.	Trans. & Distribution	345.00	—	318.64	318.64
5.	Power Finance Corpn.	175.00	—	300.00	300.00
6.	R&M of TPS (Phase II)	40.00	—	—	—
7.	System Improvement (OECF loan)	50.00	—	300.00	300.00
8.	Misc. Schemes	69.14	2.50	112.36	114.86
	Total	3334.68	449.75	2596.61	3046.36
(b) STATE SECTOR					
1.	Rural Electrification	316.00	—	348.00	348.00
	TOTAL (a+b)	3650.68	449.75	2944.61	3394.36

A glance at the above figures will reveal that there is a steep reduction in budgetary support in the area of thermal power generation from Rs. 1706 crores in 1994-95 to Rs. 1149 crores in 1995-96. There is also considerable reduction in budgetary support in the case of Hydro power and in the area of Transmission and Distribution. Considering the huge shortfall in achieving capacity addition programme in the last year as brought out in a subsequent paragraph, the Committee hold that what is expected of the Government is to enhance and not to lower the budgetary support for power sector. The policy to encourage private investments in the power sector is aimed at bringing additionality of resources. In other words, the private sector investment is to supplement and not to substitute the public sector investment. Keeping this in view, the Committee stress the efforts should be made to sustain the level of budgetary support for investment in public sector.

Reply of the Government

Ministry of Power agree, in principle, with the view of the Committee that private sector investment is to supplement and not to substitute the public sector investment and that all-out efforts should be made to sustain the level of budgetary support for investment in public sector.

The Plan allocation for the Central Sector in the 8th Five Year Plan is Rs. 25,920 crores. This is in comparison with Rs. 8842 crores in the 7th Five Year Plan. This higher level of provision was made despite the Government announcing in November, 1991 its policy to invite private participation in the power sector i.e. before the beginning of the 8th Five Year Plan in April, 1992. Taking an overall position i.e. allocation for both the Central and State Sector, it is noticed that the allocation for the power sector in the country as a whole has been increased to Rs. 79589.32 crores in the 8th Five Year Plan in comparison to Rs. 34273.46 crores in the previous plan.

The financing of the 8th Five Year Plan is based on the premise that viable activities including in the infrastructure sector should be financed as far as possible through Internal and Extra Budgetary Resources (IEBR), in view of the pressure on budgetary resources from social sector like education, public health etc. and other pressing developmental needs. In the case of the Central Power Sector Undertakings, the IEBR portion as envisaged in the 8th Plan constitutes about 70% of the Plan allocation.

The CPSUs of the Ministry of Power have been able to raise substantial resources by way of internal accruals, bonds and debentures

as well as through obtaining direct foreign assistance particularly by way of suppliers' credit from overseas. The CPSUs managed to generate Rs. 2433 crores from Internal Resources during the first three years of the Plan, Rs. 1530.56 crores through bonds & debentures and Rs. 1874.82 crores through external assistance outside the budget. Their domestic borrowings at Rs. 1751.53 crores were also significantly higher than in the previous plans. It needs to be recognised that in the first year of the Plan i.e. 1992-93, all CPSUs had faced difficulties in raising money in the domestic capital market.

For the year 1994-95 the Plan allocation for the year was Rs. 7163.26 crores for the Central Sector. This included Rs. 640.10 crores of Net Budgetary Support, Rs. 2247.00 crores of External Assistance through Budget and Rs. 4276.16 crores of IEBR. The actual (provisional) expenditure, however, has been Rs. 5431.16 crores. The plan outlay for 1995-96 is Rs. 6923.51 crores. There is a reduction in the Gross Budgetary Support (GBS) (i.e. Net Budgetary support + External Assistance through the Budget) for Thermal, Hydel and Transmission sector in 1995-96 as compared to 1994-95. In the Thermal sector, the Budgetary support has come down from Rs. 1705.83 crores to Rs. 1149.45 crores and in the Hydel sector it has come down from Rs. 909.59 crores to Rs. 817.85 crores. The reduction for T&D is marginal, being only Rs. 26.36 crores. However, with the IEBR provision going up by Rs. 171.36 crores in the Hydel sector and Rs. 431.45 crores in the T&D sector, this shortfall has been adequately compensated for these two segments.

The reduction in Budgetary support in 1995-96 *vis-a-vis* 1994-95 is primarily attributable to the practice introduced now by the Ministry of Finance to let CPSUs avail of Foreign Assistance directly rather than receive it through the Budget. The Time Slice loan from World Bank of \$400m which became effective recently is being availed of by NTPC directly and consequently the disbursements during the year are reflected in the IEBR as the Direct Foreign Assistance (DFA) component instead of the earlier practice of it figuring as External Assistance through Budget (EAB) which is a component of the Gross Budgetary Support (GBS). Similar is the position with respect to the Powergrid which would be receiving the Powergrid System Development Project loan of \$350m directly from World Bank. Further Powergrid would be receiving loans in various currencies for the Chandrapur HVDC Back to Back project directly from various donor/commercial agencies. Similarly with the Uri project of the NHPC reaching an advanced stage of completion, there is a greater flow of commercial external finance to NHPC in 1995-96 compared to 1994-95 instead of external assistance coming largely through the budget as

in the earlier years. In fact with the ongoing projects in the power sector getting completed, this practice would in years to come result in the IEBR portion becoming larger in comparison to G.B.S. as E.A.B. keep dwindling.

The overall plan allocation in 1995-96 for Thermal generation, however, is less than for 1994-95 and there is a reduction in both GBS and IEBR. This is largely because of investment approvals not having been sought or accorded in the earlier years of the 8th Plan as well as the two years between the 7th and the 8th Plan. NTPC was then facing an acute resource crunch and could not raise adequate resources in the capital market, either at home or abroad. The financial position of NTPC has now, however, improved. Investment approval have also been recently accorded for Vindhyaachal-II (2 × 500 MW), Unchahar-II (2 × 210 MW) and Talcher (460MW) and the process for investment approval has been set in motion for Kayamkulam (400 MW) and Faridabad gas based power station (400 MW). NTPC has also been able to get a \$400m Time Slice loan from World Bank as well as tie up funding for Faridabad Gas based power station from OECF of Japan. ADB has also, in principle, agreed to funding of Unchahar-II. With the anticipated completion of the second unit of Mejia (210 MW) of DVC in the first quarter itself of 1995-96, the overall outlay for 1995-96 for DVC has also come down from Rs. 506 crores in 1994-95 to Rs. 329 crores in 1995-96. There has also been a marginal reduction by Rs. 24 crores in case of provisions for NEEPCO. However a third unit of 210 MW at Mejia is scheduled for commissioning in December 1996, and Agartala Gas based (84 MW) in the second half of 1996-97 and the remaining units of Kathalguri (191 MW) in 1995-96, the allocation and expenditure on thermal units would pick up. It can, thus, be reasonably expected that the outlay for the Thermal sector would increase substantially with the implementation of the above projects from 1996-97 onwards.

It would thus be evident that continuous efforts are being made to increase the overall allocation for the various segments of the power sector. Attracting private sector investment is not with a view to substituting investments in the public sector. The need for investment in the power sector is very large and growing and it is not possible to find public resources of the requisite order and hence private sector investments are being solicited to supplement the public sector investments.

[Ministry of Power O.M. No. G-20020/2/95-Bud.
dated 20th April, 1995]

Recommendation Sl. No. 4

The Programme of additions to Generating capacity during 1995-96 is stated to be as given below:

(in Mega Watts)				
	Central	State	Private	Total
Hydro	—	404	—	404
Thermal	920	797	—	1717
Nuclear	—	—	—	—
All India	920	1201	—	2121

It can be observed that capacity addition target for 1995-96 was 2121 MW which is not only sharply lower than the previous years target of 4819 MW but also lesser than the actuals. The Committee feel that considering the set back in achievements in 1994-95, the target for the current year should have been sufficiently raised and backed up with adequate resources to off-set the previous year's shortfall. Regrettably, this is not happening. What is more disturbing is that the private sector is not expected to contribute any capacity addition during 1995-96; not even materialisation of the previous years shortfall in target achievement. The Committee would urge that appropriate remedial measure should be initiated to ensure that power situation in the country does not move from bad to worse.

Reply of the Government

The shortfall in capacity addition 1994-95 has been only marginal. The private sector has in fact achieved the planned capacity addition target i.e. 710 MW. Also the overall generation during the 1994-95 at 99.7% of the programme has been quite satisfactory and was 8.5% higher than in the previous year.

With a view to ensuring a higher availability of electricity during 1995-96, a target of generation of 377 billion units and a PLF target for thermal power station at 62.3% has been fixed. It is, however, correct to infer that the new capacity addition would be around 2161 MW during 1995-96 and this would be much less than in the first three years of the Plan. Efforts are, however, being made to ensure that the new capacity addition during 1996-97 is of a much higher order (between 4500 to 4800 MW) and also the PLF of thermal power stations and the plant availability of hydel station is further improved in the remaining two years of the 8th Five Year Plan.

It is true that in the year 1995-96, the private sector is not expected to commission any new units. However 500 MW is expected to come up in 1996-97. The capacity addition from private sector during the 8th Plan would be 1348 MW as against the expected 1622 MW from the licensees and 1188 MW from independent private producers (2810 MW). No project of independent power producers (private generation companies) is likely to materialise during the 8th Plan and the entire increase of 1348 MW would be from the existing licensees. The result of the change in the policy allowing private sector participation in the power sector are now expected in the 9th Plan and onward as the financial arrangements are not yet finalised in most of the cases. Preparatory infrastructural works involved in power projects are numerous and time consuming and may take two to three years before the actual work on projects can be started.

[Ministry of Power O.M. No. 20020/2/95-Bud.
Dated 20th April, 1995]

Recommendation Sl. No. 5

Committee observe from the Economic Survey 1994-95 that the total undisbursed balance of external assistance in the Power Sector by the End of March, 1994 stood at Rs. 18,316 crores. By the end of November, 1994 cancellations of IBRD loans to various power projects have reportedly been estimated to be Rs. 165 crores. It is a matter of grave concern that in the context of paucity of resources with Central/ State Public Sector undertakings and SEBs, the funds available from external sources are allowed to go unutilised. This laxity cannot but be deplored.

Reply of the Government

The undisbursed balance of external assistance in the power sector at end of march, 1994 was Rs. 18,316 crores. However, a closer look at the portfolio would show that a substantial portion of this amount (almost 50%) is accounted for by loans sanctioned very recently and their term of utilisation is till 1999-2000, e.g. the new World Bank and ADB loan for NTPC & POWERGRID are valid till 1999-2000 AD. OECF of Japan has also sanctioned significant loans recently for the Faridabad Generation and transmission Project (400MW), OECF loan for Purulia pumped Storage Scheme (900MW) and Bakreshwar TPS (2 × 210 MW) in West Bengal and these are to be availed of till 1999-2000.

In fact, the utilisation of External Assistance for the Central Sector Projects during 1992-93 was 107% which went up to 125.6% during 1993-94. The position during the year just ended has been also

satisfactory. The actual utilisation in 1993-94 both for Central and State sectors was Rs. 2970.11 crores as against the estimate of Rs. 3001.75 crores 98.8% of the targetted amount.

In the State Sector there have been certain operational problems in the utilisation of External Assistance arising largely on account of inadequate budget provisions. The Planning Commission has, however, now agreed to earmark the requisite funds for these projects while approving the plan outlays for the States and also the new external loans are being directly sanctioned and released to the implementing agencies, both in the Central and the State sectors so as to ensure their flow of funds to them. Problems connected with relief and rehabilitation, e.g. (Sardar Sarovar) delays in procurement of machinery e.g. (North Madras TPS) as well as lack of law and order in certain States (Uri and Dulhasti in J & K) have also contributed to the slow pace of utilisation of external assistance.

[Ministry of Power O.M. No. 20020/2/95-Bud,
dated 20th April, 1995]

The Action Taken sub-Committee of Standing Committee on Energy while considering the Action Taken replies of Ministry of Power has desired further information on the following points regarding external assistance to Power Projects:—

- (i) What is the methodology of disbursement of external assistance by external agencies and in turn by Govt. of India to various power projects ?
- (ii) It is the position that the sanctioned amount of external assistance is received lump sum by the Govt. of India which in turn releases to different projects in instalments? In doing so, whether the Govt. charges much higher rate of interest than actually charged by external agencies ?
- (iii) What are the financial charges of external agencies for unutilised portion or delay in utilising the sanctioned external assistance ?

Reply of the Ministry of Power

- (i) The external assistance in the form of Loans/Grants is disbursed by the donor country/agency either on reimbursement of eligible expenditure already incurred by a project or as direct payment to a Supplier/Consultant towards the cost of goods/consultancy services. The aid so disbursed is first received by the Central Government (Department of Economic Affairs, Ministry of Finance) as external aid receipt

and the same is made available to the projects through the budget of the Administrative Ministries concerned/Plan Finance Division of the Deptt. of Expenditure. Where the projects belong to the State Governments and are implemented by them the aid received is passed on to them as Additional Central Assistance (ACA) by the Plan Finance Division of the Deptt. of Expenditure on standard terms and conditions. Where the project belongs to a Central PSU and is implemented by the PSU, the external aid received is passed on to such PSU by the Administrative Ministry concerned as Loan/Equity from its Budget. In case externally aided projects are directly implemented by the Departments of the Central Govt./Central Ministries, the Deptt./Ministry concerned makes necessary budgetary provision in their budget taking into consideration the quantum of external assistance likely to be received by the project during the financial year.

- (ii) The sanctioned amount of external assistance is not received in lump-sum by the Govt. of India. It is received over a period of time which generally happens to be the project implementation period. The expenditure incurred by a project is reimbursed by the donor to the extent such expenditure is eligible for reimbursement as and when such expenditure is incurred. The amount of external aid thus received is released to the different projects in instalments as ACA/Budgetary Support by the Plan Finance Division/Administrative Ministry. Wherever such aid is released to the projects in the form of loans, such loans carry higher rate of interest than charged by the external agencies and these rates of interest are notified by the Ministry of Finance for each year.
- (iii) The external agencies charge Commitment Fee on the unutilised portion of the loans.

The amount of Commitment Fee paid to different external aid giving agencies in the Power Sector during the year 1994-95 and the amount estimated to be paid during 1995-96 are given below:—

(Rs. in Crores)			
Sl. No.	Source	Commitment charges paid during	
		1994-95	1995-96 (Estimated)
1	2	3	4
1.	I.B.R.D.	16.01	12.16
2.	A.D.B.	13.03	14.15

1	2	3	4
3.	Germany	0.94	0.77
4.	France	0.06	0.03
5.	Sweden	0.75	0.92
Total		30.79	28.03

Recommendation Sl. No. 6

The approved 8th plan outlay for Ministry of Power is Rs. 25920 crores. An analysis of the utilisation during the first four years of the 8th plan (on the basis of the actuals of the first two years of the 8th plan *i.e.* 1992-93 and 1993-94, provisional actuals for 1994-95 and budgetary outlay for 1995-96) reveals that the anticipated utilisation for the first four years is around Rs. 21512 crores. This leaves a balance of Rs. 4408 crores for the terminal year of the 8th plan. The Committee observe that going by the past trend, an increased allocation of around Rs. 2000 to 2500 crores may be required in the last year of the 8th plan. The Committee trust that the plan allocation for the Ministry will be sufficiently raised keeping in view the additional requirement for the terminal year of the 8th plan.

Reply of the Government

The assessment of the Committee that there is need to augment the plan allocation for the power sector during the 8th Five year Plan is based on facts and is correct. This has become essential as already about 60% of the 8th Five Year Plan allocation has been utilised in the first 3 years *i.e.* Rs. 14,589 crores out of Rs. 25,920 crores. The External Assistance provided through Budget has been more or less fully utilised in the first 3 years itself and of the NBS of Rs. 2500 crores envisaged in the 8th Plan, only Rs. 825 crores are left for the next two years. If the project implementation is to continue apace and the requisite investments made for project expected to yield benefits in the 9th Plan, it is essential that the plan allocation is raised significantly. Only Rs. 4408 crores would otherwise be left for the terminal year as against the provision of Rs. 6923 crores for the year 1995-96 and provisional actuals of Rs. 5432 crores in 1994-95, actuals expenditure of Rs. 5556 crores in 1993-94 and Rs. 3601 crores in 1992-93. Ministry of Power would accordingly be moving the Planning Commission and other authorities of Central Government for effecting and increase in the plan allocation by Rs. 2000-2500 crores for 1996-97.

[Ministry of Power O.M. No. 20020/2/95-Bud.
Dated 20th April, 1995]

Recommendation Sl. No. 7

The shortfall in utilisation of funds during 1994-95 *vis-a-vis* budget estimates for the year with respect to National Thermal Power Corporation Ltd. was Rs. 590 crores (provisional). The main reason for under-utilisation is stated to be the delay experienced by it in getting the requisite clearance for Vindhyachal state-II STPS as well as for Unchahar TPS. The Committee would like to be apprised of the details regarding delay referred to above such as the extent of delay, by whom and for what reason. The Committee expect that the Ministry should ensure that no programme of utilisation of funds is held up due to reasons which are avoidable.

Reply of the Government

It is correct that there was delay in implementation of the Vindhyachal Stage-II STPS as well as Unchahar TPS of NTPC. Vindhyachal State-II was accorded environmental clearance by the Ministry of Environment & Forest in August, 1994 as the issue regarding Flue Gas Desulpharisation plant (FGD) took time to be resolved. Ministry of Environment & Forest clearance for Unchahar has been received in January 1995 as the issue of FGD had to be resolved for this project also. Investment approval could be accorded by the Government only subsequently, *viz.* Vindhyachal Project in February, 1995 and for the Unchahar TPS in March, 1995. (It may be recalled that the investment approvals are given at the level of CCEA after the PIB clearance has been accorded).

NTPC has made the stimulates (and the budgetary allocation of Rs. 370 crores) for the Vindhyachal-II project based on obtaining Govt. approval in the first quarter of 1994 while it was actually received in February, 1995. The expenditure during the year was only Rs. 75 crores.

Similarly for Unchahar-II, a budgetary allocation of Rs. 200 crores had been made basing itself on getting Govt. approval early in the year whereas it was accorded investment approval by CCEA only on 28th March, 1995. The expenditure on the project during 1994-95 was therefore nil.

NTPC had also got made an allocation of Rs. 200 crores for Rihand-II project in anticipation of resolving certain covenants entered with the World Bank requiring that investment in States defaulting in payments should be postponed. Since UPSEB owes NTPC around Rs. 825.56 crores (as on 31.3.95), NTPC has had to defer the implementation of this project. It could not therefore incur any expenditure on this project.

The Ministry would endeavour to ensure that no programme of utilisation of fund is held up due to avoidable reasons. The overall utilisation of fund is likely to pick up during the year as several new project of NTPC, NHPC and Powergrid are now poised to take off e.g. Vindhyachal-II, Unchahar-II, Faridabad Gas based project, Kayamkulam of NTPC, Dulhasti HEP of NHPC, Jeypore-Gazuwaka HVDC link up, Southern Region RLDC, Vindhyachal-II transmission line, RAPP transmission line, Unchahar-II transmission line.

[Ministry of Power O.M. No. 20020/2/95-Bud.
dated 20th April, 1995]

Recommendation Sl. No. 8

Expressing concern over the shortfall in IEBR during 1992-93, the Committee in their 6th report had wondered whether it would be really possible to mobilise as much as Rs. 4276 crores through IEBR during 1994-95. In its reply, the Ministry of Power however expressed the hope of meeting the target. It is however observed that the Ministry could actually realise only Rs. 2902 crores under IEBR during 1994-95. The target fixed for the current year also look ambitious. Considering the inability of the Central PSUs to mobilise required resources and non-availability of budgetary support to the desired extent, for Committee would like to know what Government has thought of to meet the financial requirements of PSUs and to make them dynamic.

Reply of the Government

It is true that against the IEBR allocation of Rs. 4276 crores, the realisation in 1994-95 was Rs. 2902 crores. The implementing authorities did not raise the requisite IEBR in view of the difficulties faced in project implementation particularly by NTPC and NHPC. As pointed out earlier, the implementation of Vindhyachal-II STPS and Unchahar-II TPS by NTPC was delayed on account of difficulties experienced in obtaining the requisite clearances while NHPC did not raise and spend the requisite allocation because of the delay in securing the approval of the Government of France for resumption of work on Dulhasti HE Project (3 × 130MW). The IEBR in 1994-95 of Rs. 2902 crores, though not as per the allocation was still the highest achieved by the CPSUs in any of the previous three years. In 1992-93 it was only Rs. 1900 crores and in 1993-94 it was Rs. 2787 crores while in 1994-95 it was about Rs. 2902 crores. During 1995-96 the IEBR portion has been kept at Rs. 4327 crores which the CPSUs of the Ministry of Power are quite hopeful of achieving looking at their stage of project implementation. It may however be noted that about

40% of the IEBR is expected to be raised through bonds and debentures (Rs. 1642.50 crores out of Rs. 4327 crores) which, as the Committee is aware, was not favourable during the first year of the Plan and to a large extent depends upon the capital market conditions.

[Ministry of Power O.M. No. 20020/2/95-Bud.
Dated 20th April, 1995]

Recommendation Sl. No. 9

Inter-state and Inter-regional transmission lines were planned to facilitate the integral operation of the State system within the region. The Committee observe that as against a provision of Rs. 15 crores in 1994-95 for this programme, the requirement of funds for the year 1995-96 has been estimated at Rs. 3.30 crores. The Committee would like the Ministry to clarify the reasons for sharp decline in requirement of funds during 1995-96. The Committee also find that as against the revised 8th plan outlay of Rs. 52.92 crores, the anticipated utilisation for the first four years will be around Rs. 36 crores leaving Rs. 17 crores for the terminal year of the plan. The Committee would like to be informed how the Ministry proposes to utilise the 8th plan outlay without shortfall.

Reply of the Government

To facilitate the construction of Inter-State/Inter-Regional Transmission Lines, loans are given under a Centrally Sponsored Programme to State Governments to fully cover the expenditure on the lines and sub-stations on a reimbursement basis. For the financial year 1995-96, CEA has recommended the following 3 Schemes:—

- (i) Mariani-Mokokchung 132 KV S/C
- (ii) Umaim Utru Stage IV 132 S/C
- (iii) Rengali Kolaghat 400 KV S/C

CEA assesses the work done by the State Governments and recommends the reimbursement of funds to them as per the sanction already accorded. When the exercise for the budget for 1995-96 was initiated, it was estimated by CEA that the reimbursement required to be made during the year would be Rs. 3.30 crores. However, since then, CEA has accorded approval to revised cost estimates for these 3 schemes and it is following up with the State Governments to implement these schemes expeditiously. Consequently, it also hopes to expedite reimbursements to the State Governments during the 1995-96

so as to obviate the need to make large reimbursements in the terminal year of the Plan.

[Ministry of Power O.M. No. 20020/2/95-Bud.
Dated 20th April, 1995]

Recommendation Sl. No. 11

For the year 1994-95, under the head system improvement of rural electrification, a provision was originally made for Rs. 50 crores which was revised to Rs. 10 crores. The Performance Budget does not appear to have given any details about the scheme and its achievements. The Ministry owe an explanation for non-utilisation of funds originally provided for under the scheme. The Committee in this connection observe that budgetary provision of Rs. 300 crores has been made for the year 1995-96. The Committee would like to be apprised of the details of the programme.

Reply of the Government

The provision for System Improvement of rural electrification was reduced from Rs. 50 crores to Rs. 10 crores 1994-95 at the RE stage in view of the status of implementation of the project by SEBs.

REC is implementing a system improvement and small hydro project for which an agreement with OECF of Japan had been signed in January, 1991. REC had planned to award contracts for 21 System Improvement Sub-projects and one small hydro project during the year 1994-95 so that these awards could be completed by May, 1995. During the year 1994-95 contracts for only 11 system improvement sub-projects could be awarded by SEBs. Karnataka Power Corporation Ltd. has not been able to award contracts for the hydel project. Consequently only Rs. 10 crores was released by the Ministry of Power for this project.

For the year 1995-96 REC had projected an estimate of Rs. 300 crores. Its estimate was based on its anticipation to spend Rs. 67 crores on the ongoing sub-projects and Rs. 240 crores on new sub-projects (according to REC's projections 15% of the total contract value was to be spent in 1994-95, 40% during 1995-96 and the remaining in 1996-97 on the additional sub-projects). The first batch of ongoing 22 sub-projects are estimated to cost Rs. 140 crores while the new sub-projects would cost about Rs. 600 crores.

REC had been pursuing the matter of getting the new projects approved with OECF which had agreed to depute a Mission for Special Assistance for Project Implementation (SAPI) to scrutinise the

additional 42 sub-projects (38 for System Improvements and 4 for Samll Hydro). It is now anticipated that such a Mission would be fielded in May-June, 1995. Without the additional sub-projects getting sanctioned, the expenditure on the projects would also come down to Rs. 67 crores as against the original estimate of Rs. 300 crores.

[Ministry of Power O.M. No. 20020/2/95-Bud.
dated 20th April, 1995]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENTS REPLIES

Recommendation Sl. No. 2

During 1994-95, the actual capacity addition against the target was as under :—

(In Mega Watts)

Programme for 1994-95				
Type	Central Sector	State Sector	Private Sector	Total
Hydro	115.00	358.25	0.00	473.25
Thermal	1118.00	2447.50	560.00	4125.50
Nuclear	220.00	0.00	0.00	220.00
Total	1453.00	2805.75	560.00	4818.75

(In Mega Watts)

Achievement during 1994-95 (Upto February, 1995)				
Type	Central Sector	State Sector	Private Sector	Total
Hydro	115.00	94.00	—	209.00
Thermal	664.50	1883.00	310.00	2857.50
Nuclear	220.00	—	—	220.00
Total	999.50	1977.00	310.00	3286.50

A look at the above table will bring out that there is steep shortfall in realising the programme of capacity addition during 1994-95 in the Central and State sector as well as Private sector. The overall achievement of capacity addition (upto Feb. 1995) was just 68.2% of the target. The Committee view this phenomenon with considerable concern and dismay. The Committee fail to understand why budget estimates of demands for grants were revised downwards by Rs. 256 crores for 1994-95 and to what extent was this responsible for the setback in capacity addition programme in the Central Sector.

Reply of the Government

The capacity addition programme of 1994-95 resulted in an addition of 4598.50 MW which was 95.43% of the target of 4818.75 MW for the year. The achievement under the Hydro Sector was 450 MW as against 473.25 MW, in the Thermal Sector it was 3928.50 MW as against planned 4125.50 MW and 220 MW of nuclear Power capacity was added as planned. The achievement during 1994-95 is an all time high since the planning process began and is 1.1% higher than the 1993-94 capacity addition of 4538.75 MW.

The overall capacity addition during 1994-95 was above 95% of the target and was the highest capacity ever achieved in a financial year. While recognising that it was below the planned capacity addition programme, it is submitted that shortfall compared to the target, has been only marginal. In the Central sector, capacity addition was achieved in all the three segments *i.e.* Hydel, Thermal as well as Nuclear and as against the planned target of 1453 MW, the achievement was 1531.50 MW. The Private Sector also attained its target of 710 MW. In the State Sector, However, there was a shortage in both hydel and notably in thermal. The table given below indicates the overall position :—

(In Mega Watts)

Planned Programme for 1994-95				
Type	Central Sector	State Sector	Private Sector	Total
Hydro	115.00	208.25	150.00	473.25
Thermal	1118.00	2447.50	560.00	4125.50
Nuclear	220.00	0.00	0.00	220.00
Total	1453.00	2655.75	710.00	4818.75

(In Mega Watts)

Achievement during 1994-95				
Type	Central Sector	State Sector	Private Sector	Total
Hydro	115.00	185.00	150.00	450.00
Thermal	1196.50	2172.00	560.00	3928.50
Nuclear	220.00	—	—	220.00
Total	1531.50	2357.00	710.00	4598.50

Reduction in Central Sector Plan outlay was, therefore, not a contributory factor for the less capacity addition achieved during the year. Amongst the major State Sector Projects not commissioned during the year was the IB Valley-II (210 MW) in Orissa of OSEB. DVC's Mejia also did not get commissioned during the year but this shortfall in the Central Sector was made good by advancing other projects.

[Ministry of Power O.M. No. 20020/2/95-Bud.
dated 20th April, 1995.]

Recommendation Sl. No. 3

It is disappointing to find that the private sector could add only 310 MW capacity as against the target of 560 MW during 1994-95 thereby registering an achievement of just 55%. The Committee cannot but express their unhappiness that while the Government is pruning its budgetary support for whatever the reason, the Private Sector has not measured up to expectation during 1994-95 in creating the capacity base. The Ministry may also enlighten the Committee about the procedural delays after the approvals are granted from the foreign investment angle or Indian investment angle. This should include delays by authorities under the Central Government like CEA and the Environment Ministry as also by State Government and the steps taken to avoid such delays. The Committee are anxious to know what would be the impact of shortfall of capacity addition programme on the energy availability and the power situation in the country.

Reply of the Government

The Private Sector has added the envisaged 710 MW during the year. The overall shortfall in capacity addition during the year has been very marginal and as submitted above is on account of about 300 MW not being added in the State Sector. The generation during 1994-95 was fairly

satisfactory being 351 billion units i.e. 99.7% of the target of 352 billion units. An assessment made by CEA indicates that the loss in generation due to short supply and poor quality of coal was responsible for reduction in generation by 2.8 billion units. If this had been attained, then the generation would have been almost 353 billion units as against the target of 352 billion units. Thus, the impact of shortfall in the capacity addition programme during 1994-95 on energy availability was not very significant. As the units delayed in 1994-95 are expected to be commissioned in the next few months, they would be yielding benefits of generation for a major part of 1995-96 and would thus be contributing to the higher availability of power during 1995-96.

CEA has estimated the energy requirement in 1995-96 at 366 B.U. whereas the net availability would be 340 B.U. Thus there would be a shortage of 26 B.U. or 7.1%. The deficit in peak demand would be 20%. The corresponding position during 1994-95 was 7.1% and 16.5% respectively.

As regards delay in according approvals for private power projects, the general feeling that projects are delayed by CEA and other approval according authorities is not entirely correct. It has been observed that many a times the promoters submit proposals to CEA which are not accompanied by the requisite clearance/permission e.g. environmental & forest clearances, water availability certificate etc. CEA finds it difficult to accord approvals to such incomplete proposals and has to refer them back to the promoters. Furthermore only after the reasonableness of cost and the tentative financial packages have been examined by CEA, it is in a position to issue techno-economic clearance.

It has also been noticed that in view of the conflicting interests of the parties the finalisation of power purchase agreement and fuel supply agreement which are normally insisted upon as pre-requisites for processing applications for financial assistance by the term lending institutions takes considerable time. The developer seeks the clearance of the Finance Ministry for external commercial borrowings after the above basic clearances/agreements have been reached.

It would thus be seen that before reaching the stage of financial closure, a particular process consisting of several stages has to be gone through by a private project promoter, particularly when he has to raise resources from outside the country.

[Ministry of Power O.M. No. 20020/22/95-Bud.
dated 20th April, 1995]

CHAPTER IV

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF
WHICH REPLIES OF THE GOVERNMENT HAVE
NOT BEEN ACCEPTED BY THE COMMITTEE**

—NIL—

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

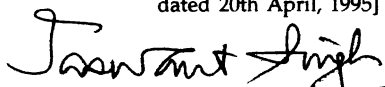
Recommendation Sl. No. 10

It is not clear why, even after commissioning of the project, a provision of as much as Rs. 12.51 crores has been made in the Budget for the project. It is observed that the cumulative expenditure on the project including the budgetary provision for 1995-96 will work out to over Rs. 533 crores which will be in excess of the indicated latest cost by Rs. 4 crores. The Committee feel that the position needs to be clarified. It may also be clarified whether sanction has been accorded to the latest revised cost of the project.

Reply of the Government

An inference that the cumulative expenditure works out to Rs. 533 crores for the Central Transmission Lines Project (CTLP) and is in excess of the approved cost of Rs. 516.50 crores is *prima-facie* correct. However, it is submitted that the cumulative expenditure upto March, 1995 of Rs. 531.99 crores (Rs. 520.55 crores upto March, 1994 and Rs. 11.44 crores during 1994-95) consists of an expenditure of Rs. 516.50 crores on the project and Rs. 15.49 crores spent on building up of a buffer-stock conductions and steel. This buffer-stock is used for various other ongoing and approved transmission projects and is chargeable to those projects. As and when inventory of such buffer-stock is diverted to other projects, the corresponding cost is debited to the new project and a corresponding credit passed on to the Central Transmission Line Project. The provision of Rs. 12.51 crores in 1995-96 is to create an additional buffer stock which would make a total buffer stock worth Rs. 28 crores available for use in other projects and it would be debitible to them. In view of this, there is no need for seeking a revised cost approval for the project as the expenditure on it has been kept within the approved cost.

[Ministry of Power O.M. No. 20020/2/95-Bud.
dated 20th April, 1995]


JASWANT SINGH,
Chairman,
Standing Committee on Energy.

NEW DELHI;
13 December, 1995
22 Agrahayana, 1917 (Saka)

APPENDIX I

MINUTES OF THE FIRST SITTING OF THE ACTION TAKEN SUB-COMMITTEE OF STANDING COMMITTEE ON ENERGY HELD ON 6.9.1995.

The Sub-Committee sat from 15.00 hrs. to 16.15 hrs.

PRESENT

Shri Shiv Charan Mathur — *Convenor*

MEMBERS

2. Shri Parasram Bhardwaj
3. Shri P.C. Chacko
4. Shri Khelan Ram Jangde
5. Shri Vilas Muttemwar
6. Shri Khelsai Singh
7. Shri S. Thota Subba Rao
8. Shri Parmeshwar Kumar Agarwalla
9. Shri Bhubaneswar Kalita
10. Shri M. Rajasekar Murthy
11. Shri Rajni Ranjan Sahu

SECRETARIAT

1. Shri G.R. Juneja — *Deputy Secretary*
2. Shri A. Louis Martin — *Under Secretary*

2. Thereafter, the Sub-Committee considered the Draft Action Taken Report on the recommendations contained in the 20th Report on Demands for Grants (1995-96) of Ministry of Power. The Sub-Committee decided that before finalising the draft report further information may be collected from the Ministry regarding non-utilisation of external assistance.

3. The Sub-Committee, thereafter, decided to meet again in the last week of September, 1995 to take oral evidence of representatives of the Ministry of Coal.

The Sub-Committee then adjourned.

*** Para 1 of the Minutes relating to discussion of the Draft Action Taken Report relating to 21st report on Demands for Grants (1995-96) of Ministry of Coal.

APPENDIX II

MINUTES OF THE THIRD SITTING OF THE ACTION TAKEN SUB-COMMITTEE OF STANDING COMMITTEE ON ENERGY HELD ON 16TH NOVEMBER, 1995

The Sub-Committee sat from 1500 hrs. to 1615 hrs.

PRESENT

Shri Shiv Charan Mathur — *Convener*

MEMBERS

2. Shri Khelan Ram Jangde
3. Shri Khelsai Singh
4. Shri Arjun Singh Yadav
5. Shri Bhubaneswar Kalita
6. Shri Rajni Ranjan Sahu
7. Smt. Kamla Sinha

SECRETARIAT

1. Shri G.R. Juneja — *Deputy Secretary*
2. Shri A. Louis Martin — *Under Secretary*

The Action Taken Sub-Committee first took up for consideration the draft action taken report on 20th Report of the Standing Committee on Energy on Demands for Grants (1995-96) of the Ministry of Power. The Sub-Committee had considered this draft report at its sitting held on 6.9.1995 and had decided that before finalising the draft report further information might be collected from the Ministry regarding non-utilisation of external assistance. The Sub-Committee again considered this draft report alongwith the further information regarding external assistance since received from the Ministry of Power. The Sub-Committee felt that the following points need to be further examined in detail :

- (i) the recommendations of Sarkaria Commission relating to disbursal of external assistance to State Governments; (ii) terms and conditions stipulated by the Ministry of Finance (Plan Finance Division of the Department of Expenditure) for passing external assistance to States as additional Central assistance; (iii) the rate of interest at which the external assistance is received by the Central Government and the rate at which it is released to State Governments; (iv) the issue whether

such difference in interest rate is used as means of resource mobilisation; and (v) the steps taken by the Central Government to ensure that State Governments' commitments regarding contribution of their share of funds are fulfilled.

3. The Sub-Committee felt that the officials of the Ministries of Finance and Power and Planning Commission should be summoned to give oral evidence on the above points. It was pointed out by the US (Energy) that the function of Action Taken Sub-Committee is limited to examination of action taken reply with reference to original recommendation of the Committee and no fresh points such as Sarkaria Commission recommendations can be taken up for detailed examination at this stage. The Sub-Committee is, however, within its power to make suggestion to the full Committee for selection of these matters as a separate subject for detailed examination. It was also pointed out that since the original recommendation is a part of the report on Demands for Grants, the matter can be examined afresh when the Demands for Grants for the ensuing year comes up for examination which is expected in a few months' time. The Sub-Committee, however, felt that the above points relate to the question of external assistance contained in the original recommendation and decided that the Secretaries of Finance Ministry, Power Ministry and Planning Commission be called for evidence on a date to be fixed later.

- | | | | | |
|----|-----|-----|-----|-----|
| 4. | *** | *** | *** | *** |
| 5. | *** | *** | *** | *** |
| 6. | *** | *** | *** | *** |
| 7. | *** | *** | *** | *** |

The Sub-Committee then adjourned.

*** Paras 4, 5 and 7 of the Minutes are related to Reports relating to Ministry of Non-Conventional Energy Sources which are not included.

**** Para 6 of the Minutes is related to Draft Action Taken Report relating to 26th Report of the Com. on Energy which is not included.

APPENDIX III

MINUTES OF THE FOURTH SITTING OF THE ACTION TAKEN SUB-COMMITTEE OF STANDING COMMITTEE ON ENERGY HELD ON 6.12.1995.

The Sub-Committee sat from 15.00 hrs. to 15.45 hrs.

PRESENT

Shri Shiv Charan Mathur — *Convenor*

MEMBERS

2. Shri Parmeshwar Kumar Agarwalla

SECRETARIAT

1. Shri G.R. Juneja — *Deputy Secretary*

2. Shri A. Louis Martin — *Under Secretary*

The following Draft Action Taken Reports were placed before the Action Taken Sub-Committee for consideration and adoption.

(i) *** ***

(ii) Draft Report on Action Taken by Government on the recommendations contained in the 20th Report of Standing Committee on Energy (1995-96) on Demands for Grants (1995-96) of Ministry of Power.

(iii) *** *** ***

2. The Sub-Committee, however, could not consider the draft reports for want of quorum.

3. *** *** *** ***

The Sub-Committee then adjourned.

** Sub-Para 1 (i) of the Minutes related to Draft Action Taken Report on 21st report on Demands for Grants (1995-96) of Ministry of Coal.

*** Sub-Para 1 (iii) of the Minutes relates to Draft Action Taken Report on 26th Report on the subject "New Policy initiatives in power Sector—States of implementation and their impact on the economy."

**** Para 3 of the Minutes is related to procedural matters which is not included.

APPENDIX IV

MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON ENERGY (1995-96) HELD ON MONDAY, THE 11TH DECEMBER, 1995

The Committee sat from 15.00 hrs. to 15.45 hrs.

PRESENT

Shri Anil Basu — *in the Chair*

MEMBERS

1. Shri Bhawani Lal Verma
3. Shri Khelan Ram Jangde
4. Shri Parasram Bhardwaj
5. Shri S. Thota Subba Rao
6. Shri P.C. Chacko
7. Shri Arjun Singh Yadav
8. Shri Virender Singh
9. Prof. Rita Verma
10. Shri Vijay Kumar Yadav
11. Smt. Lovely Anand
12. Shri Dipankar Mukherjee
13. Shri T. Venkatram Reddy
14. Shri Rajni Ranjan Sahu

SECRETARIAT

1. Shri G.R. Juneja — *Deputy Secretary*
2. Shri A. Louis Martin — *Under Secretary*

2. In the absence of Chairman, the Committee chose Shri Anil Basu, M.P. to act as Chairman for the sitting under Rule 258 (3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee first took up for consideration the draft report on Action Taken by the Government on the recommendations contained in the 20th Report of Standing Committee on Energy (1995-96) on Demands for Grants (1995-96) of Ministry of Power. The Action Taken Sub-Committee had decided to take oral evidence on certain points relating to Sarkaria Commission recommendations pertaining to external

assistance. It was, however, observed that Sarkaria Commission has not suggested any change in the existing procedure regarding external assistance. The Committee, therefore, decided that no purpose would be served by taking oral evidence on this matter. The Committee, thereafter, adopted the draft report.

*4. ** ** **

*5. ** ** **

The Committee then adjourned.

* Para 4 & 5 of the Minutes related to reports on Ministry of Non-Conventional Energy Sources which are not included.

APPENDIX V

(Vide Para 4 of introduction)

Analysis of Action taken by Government on the Twentieth Report of Standing Committee on Energy (10th Lok Sabha)

I. Total number of recommendation made	11
II. Recommendation that have been accepted by the Government (vide recommendation at Sl. Nos. 1, 4, 5, 6, 7, 8, 9, 11)	8
Percentage of total	72.8
III. Recommendation which the Committee do not desire to pursue in view of Governments replies (vide recommendation Sl. Nos. 2 & 3)	2
Percentage to total	18.1
IV. Recommendation in respect of which replies of the Government have not been accepted by the Committee.	Nil
V. Recommendations in respect of which final replies of the Government are still awaited Sl. No. 10	1
Percentage of total	9.1