

this or that.

SHRILAL K. ADVANI: I am not satisfied with it and we are walking out.

16.41 hrs.

At this stage, Shri Lal K. Advani and some other hon. Members left the House

SHRI SURYA NARAYAN YADAV (Sahasra): Mr. Speaker, Sir, through you, I would like to know from the Hon. Prime Minister whether he would like to refer the disputed site at Ayodhya under Article 138 for eliciting opinion or not? As the Hon. Prime Minister has said just now in clear terms that he would take any decision only after consultation with the B.J.P. Disputed land should be referred under Article 143. It should be decided as early as possible. Secondly, I would like to know whether Government would like to take into account the Dunkel Proposals in view of the recent farmers' rally in the country since the farmers are quite confused over Dunkel Proposals in view of the recent confused over Proposals and since there has not been any discussion on Dunkel proposals? Will you like to discuss it?

SHRI P.V. NARASIMHA RAO: I would like to say that we would ensure that Indian farmer may not suffer on account of Dunkel proposals.

[English]

MR. SPEAKER: A number of amendments have been moved by the hon. Members to the Motion of Thanks on the President's Address. Shall I put all the amendments to the vote of the House together or any hon. Member wants any particular amendment to be put separately?

SEVERAL HON. MEMBERS: Yes, you may put them together.

MR. SPEAKER: I shall now put all the amendments together to the vote of the House.

All the Amendments were put and negated.

MR. SPEAKER: I shall now put the main motion to the vote of the House. The question is:

"That an Address be presented to the President in the following terms:-

"That the Members of Lok Sabha assembled in this Session are deeply grateful to the President for the address which he has been pleased to deliver to both Houses of Parliament assembled together on the 22nd February, 1993."

The motion was adopted.

MR. SPEAKER: The House shall now take up Item No.7 of today's agenda, Statutory Resolution: Shri Nitish Kumar.

16.45 hrs.

STATUTORY RESOLUTION RE: DISAPPROVAL OF NATIONAL THERMAL POWER CORPORATION LIMITED, THE NATIONAL HYDRO-ELECTRIC POWER CORPORATION LIMITED AND THE NORTH-EASTERN ELECTRIC POWER CORPORATION LIMITED (ACQUISITION AND TRANSFER OF POWER TRANSMISSION SYSTEMS) ORDINANCE,

AND

NATIONAL THERMAL POWER CORPORATION LIMITED, THE NATIONAL HYDRO-ELECTRIC POWER CORPORATION LIMITED AND THE NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED (ACQUISITION AND TRANSFER OF POWER TRANSMISSION SYSTEMS) BILL

[English]

SHRI NITISH KUMAR (Barh): Sir, I beg to move:

" That this House dis ' the

National Thermal Power Corporation Limited, the National Hydro-electric Power Corporation Limited and the North-Eastern Electric Power Corporation Limited (Acquisition and Transfer of Power Transmission Systems) Ordinance, 1993 (Ordinance No. 10 of 1993) promulgated by the President on the 8th January, 1993.

16.46 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]
[Translation]

Mr. Deputy Speaker, Sir, I have moved my Statutory Resolution for the disapproval of this Ordinance on the basis that the idea of moving this resolution has struck me only after I went through the Statement of Objects and Reasons and the financial Memorandum of the Bill introduced by the Government. He has made a statement. What was the need of bringing the Bill in this House? What was the urgency due to which it had to be brought forward.

Mr. Deputy Speaker, Sir, it seems that the Government had to take up some condition of the World Bank had made and to take up that condition, this Ordinance had to be promulgated. They have to borrow a loan of 1.6 billion dollar for power projects from the World Bank. The World Bank has pulled them up. So, this Ordinance has been promulgated in a hurry.

Therefore, he did not even bother to look into the adverse effects of the ordinance and introduced this Bill in this House.

Mr. Deputy Speaker, Sir, first of all I want to draw the attention of this august House to the fact that this Bill has been introduced to acquire all the assets related to the transmission of only three power generating companies. Mr. Deputy speaker, Sir, there are three companies in the Central sector and apart from them there are some others too. Besides, there are power generating units under the State Electricity Boards.

If the transmission of the power generating units continues in this way. I don't understand how the Government would be able to fulfil the objectives of this Bill. He has brought this Bill in haste and it seems he wants to fulfil certain conditions.

Mr. Deputy Speaker, Sir, besides the N.T.P.C., the N.H.P.C, the NEEPCO, there are Nuclear Power Complex, Neveli Lignite Corporation Damodar Valley Corporation, Tehri Electricity Power Project, Nathpa Jakhari Project and Bhakhra Beas Management Board.

[English]

SHRI RAM NAIK (Bombay North): May I point out, Sir, that there is no quorum in the House?

MR. DEPUTY SPEAKER: The bell is being rung-

Now there is quorum. The hon. Member, Mr. Nitish Kumar may continue.

[Translation]

SHRI NITIŞH KUMAR: Mr Deputy Speaker, Sir, as there was no quorum should I speak from the beginning? (*Interruptions*)

Mr. Deputy Speaker, Sir, I was submitting that only three power generating companies the N.T.P.C. the N.H.P.C. and the NEEPCO have been mentioned in the Ordinance whose transmission assets have been sought to be acquired. But besides these there are other companies also in our country. For example the N.T.P.C., the N.L.C., the N.J.P.C., and the B.B.M.B. Not only this there are several power generating companies under the State Electricity Boards and there is no provision in this Bill to acquire their transmission system assets.

Mr. Deputy Speaker, Sir, there are two aspects. On the one hand, it is being pointed out on behalf of the Government that for the sake of better and effective functioning of the National Power Grid Corporation the transmission system should be under its

control. If it wants to acquire transmission system of generating units for National Power Grid Corporation then why is it being done in case of three companies only. The management of extra high voltage lines is not the concern of three companies alone. Moreover, there was no need for me to mention the names of the other companies as there are many such companies concerned with the State Electricity Board.

Mr. Deputy Speaker, Sir, I want to draw the attention of the Government to the news which appeared in the newspapers in this connection. Recently it appeared in the 'Financial Express' on the 6th December, 1992-

[English]

'World Bank diktats force NTPC to transfer assets.'

[Translation]

It means that the Government was under pressure of the World Bank and it was threatened that it would not be given the 1.6 billion dollar loan if it did not agree to this condition. If you go through the statement of Objects and Reasons It will be clear. Para 3 reads:

[English]

"The delay in transfer of the ownership of the assets relating to the said power transmission systems of the afore said three companies to the Power grid has, however, restricted its resource mobilisation efforts both through internal cash generation as well as by going to the market for commercial borrowings."

[Translation]

This is what the Government has stated. It is very simple that the Government was facing difficulty in getting. The proposed loan therefore this Bill was brought in haste. No serious thought has been given to it. All these assets will be transferred to the Power Grid Corporation on book value. According to

the Clause 3 (i) of the Bill, first the Central Government will acquire them and later the ownership would be transferred to the Power Grid Corporation. On the one hand the Central Government will acquire these assets whereas on the other hand the financial memorandum reads that

[English]

"No expenditure from the Consolidated Fund of India is involved."

[Translation]

I do not understand how this can be possible. I object on two points. The first objectionable point is the transfer on book value. The Government thus would not assess, the price of the asset acquired by the power generating companies and which increased in course of time. It will acquire them directly on the book value. Thus it is a great injustice against the power generating companies.

The second point is about the stamp duty which is levied when the Central Government takes over the entire assets and transfers its ownership to the Power Grid. The Government has said that no funds are involved there. Parliament which empowers the Government to spend the funds even that Supreme body is being kept in the dark. They want to keep their bosses happy. I want to know whether there will be stamp duty or not and if that would be levied from where will the funds be provided? I would like to seek clarification from the Government on these two points, because everything is under veil here. Stensibly it appears that the Government is going to accomplish a sacred task because it wants to streamline transmission system. On the face of it, it seems that a commendable thing is being done as National Power Grid, has been constituted and for that Zonal Grids have to be interlinked and it is necessary that the control of transmission system should be in one hand for effective and better management of the system. What is the real intention behind this. The statement made here is deceptive and misleading. We seek clar-

fication from the Government over these questions. Mr. Deputy Speaker, Sir, employees, will also be transferred on a large scale. Is it constitutional? Is there no need to take their consent regarding this change over and would they be transferred immediately? It was provided earlier that the employees employed in the work of the transmission system will directly be employed in the Power Grid Corporation. All rules in this regard have been framed, but this Bill is overriding all those rules. There are rules, the judgement of the court and tribunal but in spite of that clause after clause it is proved that these things have been flouted and the Bill is overriding them all.

17.00 hrs.

If the Government employs them directly it will be a great injustice against the employees. Generally, an advertisement appears for recruitment in any company, wherein the service conditions are also laid down. When a candidate applies for a particular post he knows his service conditions and other benefits that he would get. He assumes that the service conditions would always remain the same lifelong, but now the Government proposes to change these terms and conditions of the service unilaterally and the employees do not have any say in the matter. If it happens all the rules and regulations framed so far will be violated.

Mr. Deputy Speaker, Sir, there is a Central electricity authority to monitor the working of Electricity Boards and other institutions related to power generation. Its function is to guide, make rules, improve quality, issue various sorts of instructions and make improvement in the plant load factor and other areas of power generation. Now the Government is doing that work by surpassing the Central Electricity Authority. It could have done it gradually in a phased manner with the consultations of the Central electricity Authority but it is not doing so. I could have set up the National Power Grid under the Central Electricity Authority and strength-

ened it. But the Government has no intention to strengthen the present system by setting up the National Power Grid. This is the reason that many State Governments have requested the Tamil Nadu Government to dissociate them from the National Power Grid. There are several other points but the Government does not seem to be good intentioned in this regard. Once there was load-shedding in the South and it took lot of time to restore normally. On this basis some of the States have asked to dissociate themselves from the National Grid.

Mr. Deputy Speaker, Sir, we could have strengthened the National Power Grid by consulting the power generating companies, State Electricity Boards and other concerned people, but everything has been done in a haphazard manner. When for the first time I heard about national grid. I felt very about it since I am myself an Electrical Engineer. I have studied this branch of engineering. I thought for a country there should be a single National grid so that when there is shortage of electricity in any part of country it may be supplied to that part. We thought, it a very good concept. When I got general information in this regard, I formed a good opinion, but when I studied the whole plan, I found reality was otherwise. The intentions were not clear. If their intentions had been clear they would have consulted power generating companies, State Governments and State Electricity Boards and CEA and found out some plan.

How would it benefit, if the assets of three companies are nationalised? Do all the EHVAC lines fall under the control of these three companies? There is no need to restate the names of the companies which have already been given. There is an urgent need to integrate the EHVAC lines through the State Electricity Boards and until and unless they are integrated no prupose would be served. I think Government is fully aware of this fact. All the people have expressed their objection in this regard from time to time. Everybody including the experts and Engineers working in NTPC and other companies have expressed their objection in this regard, but a Bill has been introduced

in a hurry ignoring all these facts. Previously, an ordinance was issued and now a bill has been brought to replace the ordinance. The intentions behind all these things is not to set up a National Power Grid but to appease the World Bank and to fulfill its conditionalities. Keeping all these things in views, I have called your attention towards the facts since the House was in a different mood today. If this point would have been raised some other day, I would have elaborated all the points one by one. But I think that I should raise points in a proper way and

I think he would answer all the points. I would like to submit that if the Government sincerely wants to set up a National Power Grid then it should withdraw the Bill and allow the Ordinance to get lapsed. The problem of electricity would not be resolved without it. But I would urge that the step should be taken after consultation with all the concerned parties including the companies. Are the Central Sector Companies slaves to the Government? If this House vests power to a company under some Act or if a company is constituted under the powers of the Parliament, why does Government want to run it as per its Whims, considering it a Central Sector Company? On one hand it is said that public sector does not function well and on the other hand, Government wants to destroy the Public Sector Units.

The rates of land have increased manifold as compared to the rates twenty years ago. Government should pay compensation on the present rates. If the company belongs to public Sector would the Government pay it less compensation? If it starts malfunctioning, Government would start blaming public sector. Public sector has become an object of hatred. All these people are present here. Now Shri Salve has been given this portfolio. Previously he was known as a programme within Congress. During the region of Mrs. Indira Gandhi he used to speak in a different tone. Now time has changed. The attitude of the people has changed? The Congress people change themselves according to the occasion. There was a time when nobody dared to speak against public sector. Now time has come to

such a pass today that if someone wishes to speak in favour of public sector, he would not do so due to the fear that he might be ousted from the ministers'hip. Would you buy the land on book value? The price of the land would be decided on the present rates. The Power Grid Station and the transmission lines all are being set up in a short duration, but the compensation is not being paid to the people. Then they suggest others to mobilise the resources.

Kindly inform us about the loss that will have to be borne by the consumer? Transmission Corporation would charge extra surcharge. Previously there used to be a single generating unit. It performed the functions of generation and transmission and its distribution used to be done through Government Agency and then Tariff was decided. Now the power grid has been established. Initially losses would have to be borne. It would function properly. It is their conspiracy.

I am not oppose to the National Grid but I do oppose the intention behind the setting up of National Grid. These people would first level surcharge in the name of transmission, this burden would then be shifted to the consumer. The loss due to their inefficiency would have to be borne by the consumer. The rates of electricity would increase and all would say that all have become inefficient.

I would like to bring it on the record of the House that a time would come when the rulers in Delhi would say that Power Grid has failed and so it should now be privatised. At that time all the assets would have to be transferred as per their price in the book value. Then IMF World Bank people would say that it should be privatised Then the capitalists like Tata, Birla, Ambani or Goyanka would be invited to run it and all the assets and property would be transferred at the price in the book value or at throw away prices. The hard earned money or the hard labour of the people would be looked. It is not that if we kill our own son in our house, we would not be subjected to any punishment. If our son is injured due to that, we would be

[Sh. Nitish Kumar]

liable to be punished.

This is public sector company, you are snatching its all assets. This is a complete conspiracy. You are not doing any good job. You are turning against the public sector and building a new public sector. You would make it a failure deliberately. Thirdly, Government would privatise its whole property. It means to say that you would give the assets raised 25 years ago to Tatas, Goenkas or other power sector companies or multinational companies at throw away prices. In this way you are inviting the foreign companies. You are trying to deceive the people of this country through this House. A time would come when you would say that you are not in a position to invest. Foreign companies would be invited on the pretext that Government is not able to invest, but they would not take part in generation. They would take the responsibility of transmission and distribution also. The intentions and objectives behind all this are wrong. That is why we have opposed it. The allegations levelled by us are correct. Government should withdraw the Bill and let the ordinance lapse and introduce a comprehensive Bill. Government should do it in consultation with experts of Central Electricity Authority and State Electricity Boards.

Money, no doubt matters but it does not mean that we should sell out our conscience and self-respect. 1.6 billion dollars, which is equivalent to Rs. 160 crore dollars. We may get this loan or not but we should run our country on our own and implement our own policies according to the needs of our country. We should not follow the directions of the foreign powers. I submit to you that it will prove futile because the Government has already decided to hypothecate this country to the International Monetary Fund, the World Bank and the Western powers. The Government will not withdraw its decision because it has become a puppet. But we are the members of this House, therefore, through this House I would like to submit to the Government to withdraw it and let this Ordinance be lapsed. Introduce, a comprehensive Bill later on.

With these words I conclude and urge to all the Members to accept this Statutory Resolution introduced by me.

PROF. PREMDHUMAL (Hamirpur): Mr. Deputy Speaker, Sir, I am on a point of order. There is no quorum in the House.

MR. DEPUTY SPEAKER: The bell is being rung.

[English]

Now the House enjoys Quorum. Now I request the hon. Minister Shri N.K.P. Salve to move the Bill.

THE MINISTER OF POWER (SHRI N.K.P. SALVE): Sir, I am very grateful to Shri Nitish Kumarji, who made a very eloquent speech. He is very knowledgeable.

[Translation]

DR. LAXMINARAYAN PANDEYA (Mandsaur): Mr. Deputy Speaker, Sir, I am on a point of order. If consideration of Motion and Bill will go on side by side, the reply will be given later on or in the course of discussion.

[English]

MR. DEPUTY SPEAKER: He has to move the Bill for consideration and passing.

[Translation]

SHRI N.K.P. SALVE: The Bill is being moved for consideration but there is no objection in extending thanks in advance.

[English]

Sir, I beg to move:

"That the Bill to provide in the public interest for the acquisition and transfer of the power transmission systems of the three companies and the right, title and interest of those companies in the power transmission system situated in different parts of India, with a view to

developing the National Power Grid to ensure transmission of power, within and across the different regions of India, on a more scientific, efficient and economic basis and for matters connected therewith or incidental thereto, be taken into consideration."

SHRI V. DHANANJAYA KUMAR (Mangalore): Sir, he has not taken the permission of the Chair.

MR. DEPUTY SPEAKER: Yes, he has taken the permission.

SHRI N.K.P. SALVE: Sir, the Bill provides, as I have already stated, for acquisition and transfer of assets relating to the power transmission systems of the three companies, namely National Thermal Power Corporation Limited (NTPC), National Hydro-Electric Power Corporation Limited (NHPC) and North-Eastern Electric Power Corporation Limited (NEEPCO), to Power Grid Corporation of India Limited.

The Power Grid Corporation of India Limited formerly known as National Power Transmission Corporation was set up in 1989 in pursuance of an earlier decision taken to form a National Power Grid. Its other main objective has been to bring planning, construction, operation & maintenance of all Central Transmission Systems under the unified control of one central organisation for achieving better coordination an efficient operation and to optimise productivity in the central transmission systems.

It was also decided to transfer the power transmission systems of the three companies, namely, NTPC, NHPC and NEEPCO to this Corporation. Pending completion of various formalities, the management of the said power transmission systems of the three companies was taken over by POWER GRID, with effect from 16.8.91, 19.11.91 and respectively along with the associated employees who were transferred on a permanent absorption basis.

There are the dates on which the trans-

fer actually took place, of the assets of the three companies.

SHRI SRIKANTA JENA (Cuttack): What about their cadre fixation?

SHRI ANIL BASU (Arambagh): This is against the Constitution. You cannot transfer the whole set of employees.

SHRI N.K.P. SALVE: After it is debated, on merits I would like to deal with the question raised by hon. Members. At the moment I am only moving the Bill. I am confining myself to moving it.

With a view to implementing the objectives mentioned earlier, with the approval of the Cabinet, a Bill was introduced on November 30, 1992 in the Lok Sabha but the same could not be taken up for consideration.

Due to non-transfer of the assets the POWER GRID was unable to mobilize its internal resources and in view of these circumstances it became necessary to give immediate effect to the provisions of the said Bill by way of promulgation of an Ordinance (No. 10 of 1993) dated 8.1.1993.

As the Bill was pending before the House consequential amendments have been put up with the Bill, along with the Statement explaining the circumstances which necessitated immediate legislative action by Ordinance.

With passage of this Bill, the *de jure* transfer of the assets will enable the Corporation to mobilise resources including external borrowings and collect revenues independently resulting in a more effective and efficient performance to achieve the aims and objectives speedily.

With these observations I commend the Bill to the House.

MR. DEPUTY SPEAKER: Motions moved:

"That this House disapproves of the National Thermal Power Corporation

[Sh. N.K.P. Salve]

Limited, the National Hydro-electric Power Corporation Limited and the North-Eastern Electric Power Corporation Limited (Acquisition and Transfer of Power Transmission Systems) Ordinance, 1993 (Ordinance No. 10 of 1993) promulgated by the President on the 8th January, 1993."

"That the Bill to provide in the public interest for the acquisition and transfer of the power transmission systems of the three companies and the right, title and interest of those companies in the power transmission system situated in different parts of India, with a view to developing the National Power Grid to ensure transmission of power, within and across the different regions of India, on a more scientific, efficient and economic basis and for matters connected therewith or incidental thereto, be taken into consideration."

There are amendments to the Motion for Consideration.

PROF. RASA SINGH RAWAT(Ajmer):

I beg to move

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 26th July. 1993." (14)

SHRI ANIL BASU

I beg to move

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 26th July. 1993." (15)

SHRI RAJENDRA AGNIHOTRI
(Jhansi): I beg to move

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 26th July. 1993." (16)

SHRI SRIBALLAV PANIGRAHI:
(Darrigh): Mr. Deputy-Speaker, Sir, I do

to support this Bill.

SHRI NITISH KUMAR: You support everything!

SHRI SRIBALLAV PANIGRAHI: Naturally.

The hon. Minister of power while moving this National Thermal Power Bill has made clear the circumstances under which it is today before us for consideration. In fact, an Ordinance was promulgated to serve the purpose of this Bill. It is now a technical requirement, a formality to be completed. Further, the *de facto* transfer of the properties of the three Corporations involved has already taken place. Only that has got to be legalised. It has to be put in black and white and for that there should not be any objection. Of course, Shri Nitish Kumar has some doubts. While expressing doubts, he also smelt something fishy, something foul. Customarily, friends from the other side entertain some doubts. There is no denying of the fact that we require a national power grid for improvement of power transmission system in the country. There is no escape from going for a national power grid. There is power crisis in different parts of the country, and our emphasis has to be laid more on power generation. When power is generated, there should be an efficient system to transmit the power so generated. It is also common knowledge that there are some States where they do have power more than their requirement and they can part with some of that power, that they generate. Such extra power should flow to the needy areas where there is an acute shortage of power. In some cases, this is also obstructed because there is no suitable transmission system.

I can say in Orissa in Sambalpur area, there was such power shortage. Orissa is one of the few States where acute power shortage is there. Korba in Madhya Pradesh has a power complex. In that place there are a number of power plants; the NTPC power project is there; Government of India power project is there. There Madhya Pradesh State Electricity Board have got their

generation units but because of this line difficulty, there are some problems in transmission, although that Government wanted to sell power to Orissa Government and Orissa Government wanted to have power. But, it could not materialise. When we talk of power sector, we have to think of water also. We have to go in for a national water grid.

SHRI V. DHANANJAYA KUMAR: Sir, I am on a point of order. There is no quorum in the House.

MR. DEPUTY SPEAKER: Now there is quorum. Shri Panigrahi may please continue.

SHRI SRIBALLAV PANIGRAHI : Mr. Deputy Speaker, Sir, I was saying that not only in the power sector, we need a National Power Grid, even we are talking about the necessity of having a National Water Grid because in some States, floods are causing havoc and in some States there is problem of shortage of water or drought situation. So, there can be no two opinions that we should have very strong and effective National Power Grid as early as possible. The process of setting up of a National Power Grid has been going on for quite some time in different phases.

To start with, three corporations under the control of the Government of India are coming with in its purview, which will transfer both *de facto* and *de jure* its assets. Ultimately the purpose could be served if the transmission system maintained by State electricity boards, divided in five zones of power grids- North, West, South, East and North-east- are all integrated with the national power grid.

Power or energy holds the key to our progress and prosperity for the purpose of development, this is the prime need to have sufficient energy and sufficient power. It is regrettable and a sad thing that we do not have enough power.

I may mention that in many parts of the country power cut is being resorted to resulting in or creating multifarious or different

types of problems. When there is no power, students are not able to read and agriculturists also are not able to operate the pumps in their farms. So many things are there. The small industry sector also sustains loss. The question of unemployment comes. in.

Therefore, we should have required quantity of power generated in our country. But we do to have funds for this. This is the reality. Recently we have enacted some legislation in Parliament enabling private sector to step in the power generation sector. These are not very welcome features but there is not alternative.

SHRI PIUS TIRKEY (Alipurduars): Mr. Deputy Speaker, Sir, there is no quorum in the House.

MR. DEPUTY SPEAKER: Let the quorum bell to rung. Now, there is quorum. Shri Panigrahi may continue now.

SHRI SRIBALLAV PANIGRAHI: Sir, in the year 1947, when we achieved independence, 1,700 MW of power was being generated in our country and there has been a fantastic growth since then. At present the figure stands at 69,000 MW. But this is also on the lower side of the requirement. We need much more and according to the international standard also, per head consumption of power, we are quite below the average. In our anxiety to meet the requirements of power, for which we do not have enough resources, naturally we have to depend on entrepreneurs and industrialists both within our country and outside also to come and make their investments for generation of power. While the Government is thinking about the construction of the National Power Grid, it should keep in conditions those people will be bringing in along with their investments.

Sir, there was a serious objection raised by Nitish Kumarji about the valuation of the assets at book rates. If there is an assurance given by the Government that the new Power Grid will be under the Central Government than it is a question of one public sector handing over assets to another public

[Sh. Sriballav Panigrahi]

sector under the overall control of the Government of India. So, it does not matter much. If it is from the State Government to the Central Government or from one public sector unit to another public sector unit under the Government of India also, it does not matter much. But, if at some point of time some private entrepreneurs come forward or for any reason there is a deal for its transfer to them, then naturally the Government will be at a disadvantageous position and those private companies will be at an advantageous position at the cost of national interests. So, this is something which should be kept in mind. Secondly, I am of the opinion that we must encourage private entrepreneurs in the power sector, but some control must be exercised over them with regard to the maintenance of the National Power Grid. In that way, another very disturbing factor in our country is the transmission and distribution losses. It is as high as 22 per cent whereas if it is properly improved, if it is maintained properly through effective system, T & D loss will be reduced. Now it is as high as 22 per cent in India as against five per cent or seven per cent in countries like Japan and German. For one mega watt of power generation, it needs about Rs.2 crore investment. So, we are losing thousands of crores of rupees in this process because we have higher percentage of T&D loss. A situation has come that the Government should encourage setting up power stations in the pitheads, i.e. coal belt thereby the railway freight, transportation cost of coal and the problem connected with it can be solved. We should strengthen the transmission system all over the country by constructing the transmission lines properly and efficiently manages. We have to ensure setting up of these power plants in the coal mines, pitheads.

I would now conclude Already *de facto* transfer has taken place. Why are they seeing the ghost of IMF and the World Bank for every issue. China is after the World Bank and the IMF. Janata Dal has two State Governments in Bihar and Orissa. The Orissa Chief Minister day in and day out, at every

moment, is after the IMF. He is moving country to country German, America, London placating industrialists, entrepreneurs to come over to Orissa for setting up power plants and other industries. You go and discuss this matter with your beloved Chief Minister, Shri Biju Patnaik. When you take the floor here and oppose all these things, all these good measures of the Government of India, you forget about it. Do you know, he has handed over even chromite mines and change Game plant at throw away price to Tatas. Very recently he has disposed of so, many mills from the public sector to private sector. He has extended red carpet welcome to industrialists in Orissa. He has disposed of the plants and public sector units one after the other.

[Translation]

SHRI NITISH KUMAR: Mukul Wasnik has not asked for quorum to speak these things. You may speak anything on the President's Address. This time you should be confined to the power grid.

SHRI SRIBALLAV PANIGRAHI : You are saying all these things just to oppose my point... (Interruptions)

[English]

You are maintaining two standards. Your Janata Dal is maintaining two standards. So far as this matter is concerned, it is very relevant. China and other countries are also after the IMF. It is admitted and everybody knows that we have depend on loan assistance. what is the conditionality about it? Two years before also, they were criticising that it was a sell-out to the World Bank. Do you know, within two years, What is the health of our economy? What is the health of the country's economy today? We can produce such a beautiful Budget only recently.

Should I refer to West Bengal, Mr. Anil Basu?

MR. DEPUTY SPEAKER: Not necessary.

SHRISRIBALLAV PANIGRAHI : Should I refer to your Chief Minister?

[English]

SHRI ANIL BASU: You should refer.

"World Bank dictat forces NTPC to transfer assets."

SHRI SRIBALLAV PANIGRAHI : So, naturally there should that could not be objection just for the sake of objection and opposition for the sake of opposition. Nothing like that. But, at the same time, this is a good thing that we should have effective, national power grid and, for that, we are having a Corporation now and some technicalities, formalities, are required to be completed and this Bill is there before us to complete those formalities. That is why, I give full support to this Bill with the request to the hon. Minister that some of the doubts which are being expressed may be kept in mind.

"Another instance of the World Bank arm twisting the Power Ministry has come to light. And, this time it is again the issue of *de jure* transfer of assets" from NHPC, NTPC and NEEPCO to the Power Grid Corporation.

Following a firm commitment given to IBRD, the Power Minister, Mr. Kalpanath Rai, has introduced a bill in both the houses of Parliament to effect such a transfer much to the chagrin of employees in all the three corporations.

SHRI ANIL BASU : You also impose conditionalities.

"The proposed legislation is significant in the sense that it comes in the wake of a letter written by the Power Secretary, Mr. R. Vasudevan to Mr. Heinz Vergin, Director, India Department, World Bank, on October 7 on the conditions imposed by IBRD for processing NTPC power generation project loan worth \$1.2 billion under the time slice arrangement.

SHRI SRIBALLAV PANIGRAHI : No. I support this Bill.

MR. DEPUTY SPEAKER: Thank you very much, Mr. Sriballav Panigrahi.

The World Bank mission in its last visit had categorically stated that transfer of transmission assets was a precondition to any future loan appraisal for NTPC."

[Translation]

[Translation]

DR. LAXMINARAYAN PANDEYA (Mandsaur): Mr. Deputy Speaker, Sir, I support the resolution introduced by Shri Nitish Kumar and hon. Members for the disapproval of this ordinance. It seems that now a days the Government has become merely a toy, a puppet in the puppet in this hands of the World Bank. The manner in which the World Bank puts its condition in each case the Government accepts those in the same manner in each case.

It is evident from this that the World Bank had already imposed such conditions, whose details are published in the Financial Express of 6th December, 1992. The World Bank had already decided that the loan would be provided only if the Government abides by the conditions. It is true that the working systems of these three grids are different. The Government has brought this Bill because the World Bank also asked the Government to merge these three power grids into one and transfer assets of these grids. The World Bank also asked the Government to transfer the assets of these three

The Bill introduced in the House and the ordinance has been promulgated before it is also an outcome of these conditionalities. In this regard I would like to cite two extracts from the "Financial Express"-

[Dr. Laxminarayan Pandeya]

grids to the Power Grid Corporation, otherwise no loan would be provided to it in future.

Besides this, in response to the letter written by the power Secretary, Shri Vasudevan the World Bank said that if the Government is ready to accept its conditions only then the loan will be provided.

I am at a loss to understand as to which direction this Government is taking the country to. The question is not of the loan or import or the loan from the World Bank but one can make out, as to which direction this Government is going, from other actions of the Government- whether it is the question of import of 20 lakh tonnes of foodgrains or to give concessions in the import duty or to give rebate on other imported items. The way the national industry is suffering a set back it appears that the Government is bent upon pleasing the World Bank.

I would also like to submit that the World Bank has pointed out the mis-management in our country. A news item appeared in the Economic Times dated the 21st December in this regard reads:

[English]

"In a scathing indictment of the country's power sector, the World Bank has accused the State Electricity Boards, National Thermal Power Corporation, Power finance Corporation and Central Electricity Authority of gross mismanagement."

[Translation]

I think that if we look at the interference of the World Bank in our internal matters and if we are compelled to work under the directions of the World Bank then certainly there is no other way but to support the Bill brought by Shri. Nitish Kumar ji and other hon. Members with a view to repeal this ordinance. It is obvious from that as well as from the actions taken at that time. You are going

to form a grid system by merging three corporations but how far we will be benefited as a result thereof? What are the views of the Government in this matter keeping in view the protest lodged by the Tamil Nadu, Government. It has clearly stated that it will not stand by the Government since their own arrangements are working smoothly. I would like to read out the news item appeared in a newspaper on 5-1-93 under the caption "Tamil Nadu May Opt Out Of Power Grid."

[English]

It has been stated:

"The Tamil Nadu Electricity Board is considering revival of its demand to delink the State from the Southern Power grid following the last night's incident, when the State along with Karnataka and Andhra Pradesh faced a black out..."

[Translation]

I would like to know from the hon. Minister the circumstances under which this ordinance was promulgated and the reasons for not introducing a comprehensive bill in this regard and the circumstances under which this bill was introduced in a haste. One of the 3 companies, whose names have been given in the first schedule is National Thermal Power Corporation Ltd, which is a corporate company under the Company Act 1956. It is a registered company with its registered office in Scope Complex, Lodhi Road, New Delhi, the other one is the National Hydro Power Corporation Ltd, which is also a corporate company and is registered under Company Act, 1956 with its office in New Delhi and thirdly there is the North-East Electricity Corporation, which is a corporate company and is registered under 1956 Act with its registered office located in Shillong. All these three companies are proposed to be merged into National Electricity Authority. As the hon. Member Shri. Nitish Kumar has said that barring a few impediments those three companies were functioning properly and independently. The hon. Min-

ister of Power should have informed the House about the steps being taken to overcome the power crisis. Today the farmers in Uttar Pradesh are suffering due to the lack of power. Why there is power problem in Madhya Pradesh? Why gas is not being supplied to Madhya Pradesh since it is demanding for a gas based power plant? Why there has been a delay in setting up of the same type of power plant in Karnataka? These are some of the points on which the hon. Minister has not thrown light.

Mr. Deputy Speaker Sir, why there is power crisis in Rajasthan? The Government had given an assurance to resolve the power crisis in the state and the State Government had submitted proposals to overcome the power crisis, but the hon. Minister has not thrown light on these proposals in his speech. It is not that it would improve or change the position.

No mention has been made about the steps to be taken to streamline the functioning of the State Electricity Boards without setting up a new agency. It has not been made clear as to what benefit would accrue after the formation of this national grid. funds have not been provided to the Nandipur Thermal Power Plant of Mangalore. It was a new plant. The land was also acquired for this purpose. A gas based power plant was to be set up in Bhandar near Gwalior in Madhya Pradesh. The project was not cleared by the Government. During the Bhartiya Janata party Government in Madhya Pradesh, it was asked that if the Central Government was unable to provide

funds to the State Government then the State Government should be allowed to ask private sector to take over this power generation project so that the power production is started. But that too was not allowed by the Government. Today I would like to urge upon you that the power supply should be normal or the condition of the State Electricity Boards should improve and for that matter the Central Electricity Authority should have been strengthened. But instead of that the Government have allowed the situation to deteriorate further and make it more complex. As, I have already stated that there is the World Bank pressure behind all that and the Government is working under the pressure of the World Bank.

[English]

MR. DEPUTY SPEAKER: How much time do you need, Pandeyaji?

[Translation]

DR. LAXMINARAYAN PANDEYA: I will take some more to conclude.

[English]

MR. DEPUTY SPEAKER: You can speak afterwards. kkkk

18.00 hrs.

*The Lok Sabha then adjourned till Eleven of Clock on Friday, March 12, 1993/Phalgun 21, *1914 (Saka)*