

[Sh. Prithviraj D. Chavan]

This area, particularly Patan and Shirala Talukas, are hilly, and are economically underdeveloped. People have been uprooted and displaced because of large irrigation projects. New LPTs required to be installed to cover the deprived area. These should be located at the highest points in the district, so that the signal can reach all the valleys. There is a long-standing demand from the elected representatives and local population to install LPTs Vasantgarh for Satara district and at Sagareswar for Sangli district.

The Ministry of Information and Broadcasting should immediately sanction this demand on priority basis for these hilly areas.

- (x) **Need to connect Bareilly with Bombay and other parts of Southern India by Rail and also to increase the quota of Reservation in trains at Bareilly.**

[Translation]

SHRI SANTOSH KUMAR GANGWAR (Bareilly): Mr. Deputy Speaker, Sir, Bareilly is a major city of Uttar Pradesh. It is also a major commercial Centre of Western Uttar Pradesh with several industrial institutes. There is a long-standing demand of the citizens of this area to connect Bareilly with Bombay and other parts of Southern India by rail and also to increase the quota of reservation in trains at Bareilly. I, myself, have also written many times in this connection. Keeping in view the need of the citizens of this area, I would like to request hon. Railway Minister to pay attention to it and issue instructions for necessary instructions action.

- (XI) **Need for adequate development of Devgarh of Lalitpur district in Uttar Pradesh which is a tourist place**

SHRIRAJENDRA AGNIHOTRI (Jhansi) Mr. Deputy Speaker, Sir, "Devgarh" in Lalitpur district in Uttar Pradesh is the Place where

remains of the Gupta-Period are located and it is an ancient historical site. It covers an area of nearly 10 kms. There are 10 to 11 unique spots of Gupta-period in the backdrop of nature's splendour. Devgarh is a famous Jain pilgrim centre. Thousands of splendid Jain statues are there. Today, Devgarh is developing as a tourist centre. This centre is located at the bank of the river Betwa. The area of 7 acre of forest is surrounded by the river Betwa.

Thousands of tourists visit Devgarh every year. Three time a year programmes are organised by the Jain Samaj and lakhs of people take part in them.. The existing memorials and remains in Devgarh are under the supervision of the Archaeological Department of the Government of India. But there are still some spots like Ranchhor ma Maharaj spot which the Department of Archaeology has not taken over. Devgarh is in no way less important than the caves of Khajuraho or Ajanta-Ellora. It is a question of the preservation of a historical heritage. In these areas the construction of hotels for tourists to retire at night, night-shelters for common People, metalled roads and parks in the forest surrounded by Betwa are necessary. Adequate arrangement for electricity and water should be made in Devgarh area.

I demand that the Central Government constitute a committee of Members of Lok Sabha as also the representatives of the Department of Tourism and Archaeology of the Government of India to ensure proper development of Devgarh.

13.44 hrs.

#### ELECTRICITY LAWS (AMENDMENT) BILL

[English]

MR. DEPUTY SPEAKER: Now, we go to next item. Shri Kalp Nath Rai.

[Translation]

THE MINISTER OF STATE OF THE  
MINISTRY OF POWER AND NON-

**CONVENTIONAL ENERGY SOURCES (SHRI KALP NATH RAI):** Mr. Deputy Speaker, Sir, I would like to request that the Electricity Laws (Amendment) Bill, 1991 (Bill No. 152 of 1991) further to amend the Indian Electricity Act, 1910 and the Electricity (supply) Act, 1948 and introduced in Lok Sabha on September 9, 1991 be discussed in this august House.

The Government has been considering the policy for the past some time to increase resources in connection with the programme of promotion of generation, supply and distribution of electricity by encouraging investment by private sector in the field of power generation keeping in view the inability of the public sector to contribute properly to power supply due to persistent demand for electricity and the paucity of resources. The then Government had accepted in principle in June, 1988 the need to encourage private sector's partnership in the field of electricity. At present, the contribution of the private sector to the total installed capacity is only 4 per cent. Although 57 distribution companies have been granted license for the supply and distribution of electricity, as per the policy hitherto followed, the existing licence-holders in private sector have been allowed to promote and substitute their capacities. In order to achieve the aim of increasing resources, the Government has formulated a new policy under which private sector's investment in the field of electricity has been increased.

The new policy envisages liberal economic package for the private sector units. It is one of the component of the new policy.

The following incentives are being provided to licence holding companies or electric transmission and distributing companies:- (1) enhance the present initial period of license from 20 years to 30 years followed by subsequent extensions for 20 years at a time. (2) raise the standard rate from the existing level of 2 over the Reserve Bank of India rate to 5 per cent (3) capitalisation of interest (I.D.C) to be done on actual cost during the construction period

whereas at present, it is done at a rate which is one percent higher than the RBI rate; (4) special investment to meet the debt obligation. Besides, it is now proposed to issue new licenses as against the policy of according permission for renewal and substitution to the licence holding companies.

Private entrepreneurs unlike licence-holders, can set up power generating companies. Earlier only the Central Government or State Governments or both could set it up. Such power generating companies would be accorded permission to sell electricity on profit to the grid based on Normative parameters laid down by the Government. It will help us to do the work more efficiently.

There would be no restriction on the size and nature of projects to be presented by public sector entrepreneurs. In other words, thermal-power projects of any size and capacity based on coal/lignite or gas, hydro-electric projects, wind/wolar energy and D.G. set projects, can be set up in the Private sector. Under the new policy, the maximum limit of Rs. 5 crores in the matter of according clearance by the Central Electricity Authority (C.E.A) has been done away with. It has been made more flexible.

It would be desirable to amend the laws relating to electricity in order to implement the above provisions. Under the new policy, there is also provision of administrative measures to be taken alongwith legal measures. For all the private sector units in the field of energy permission would be given at the ratio of 4:1 loan equity. As far as foreign investment is concerned a liberalised foreign equity participation, would be allowed. Import of equipment would be allowed for new projects to set up by the entrepreneurs in the private sector, provided that the financial package is acceptable to the Government. Apart from it under the new policy, there is a provision of introducing single point clearance system in order to ensure immediate clearance in respect of power projects. To achieve this goal, a high power board comprising Secretaries of respective Ministries would be constituted.

Senior officials of State Government would be associated with the Board. The Cabinet Secretary would be the Chairman of the Board. Statutory approvals would be mentioned by the Board and pending cases would be cleared under a time-bound programme. To receive information, assist them and to take action on the proposals received from entrepreneurs in respect of modalities to be adopted in clearing projects. For this purpose, an Investment Promotion Cell (I.P.Cell) has been activated in the Nodel Ministry i.e. the Department of Energy to provide information to the entrepreneurs regarding modalities relating to project clearance, to assist them and to process their proposals. As I said earlier the Indian Electricity Act, 1910 would have be amended to implement the policy and the Electricity (Supply) Act, 1948. These amendments have been incorporated in the Electricity Rule (Amendment) Bill, 1991. It is worthwhile to mention here that State Governments have expressed their consent to these amendments. On 6.9.1991, in the Conference of Energy Ministers of States, State Governments had not only expressed their consent to the proposed amendments to the Electricity Rule (Amendment) Bill, 1991, but had also requested to incorporate these amendments in the relevant laws at the earliest.

I am sure, the Electricity Rule (Amendment) Bill, 1991 would be passed unanimously at the earliest so that the country could be benefited to the maximum extent through massive participation of private sector in generation, supply and distribution of electricity.

Sir, I move the above Bill for consideration and passing.

*[English]*

MR. DEPUTY SPEAKER: Motion moved:

"That the Bill further to amend the Indian Electricity Act, 1910 and the Electricity (Supply) Act, 1948, be taken into consideration".

MR. DEPUTY SPEAKER: There are some amendments to the consideration motion.

Shri Girdhari Lal Bhargava

*[Translation]*

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Mr. Deputy Speaker, Sir, I am not moving.

SHRI BHAGWAN SHANKAR RAWAT (Agra): I beg to move:

"That the Bill be circulated for eliciting opinion thereon by 20th December, 1991". (2)

MR. DEPUTY SPEAKER: Shri Dau Dayal Joshi is absent.

SHRI RAJENDRA AGNIHOTRI (Jhansi): I am not moving:

SHRI MOHAN SINGH (Deoria): I beg to move:

"That the Bill be circulated for eliciting opinion thereon by 18th December, 1991". (4)

*[English]*

MR. DEPUTY SPEAKER: Now the time allotted for this Bill is one hour of which Congress(I) has been allotted 24 minutes; BJP has been allotted 13 minutes Janta Dal has been allotted six minutes; CPI(M) has been allotted four minutes, and CPI has been allotted one minute and so on. May I say this is, we should know what is the time allotted for this subject. Secondly, how many people are there who have given their names to participate in the debate. Those who get the early chance, they should have courtesy towards the subsequent speakers. It is only for this purpose that I have told you about the time allotted to different parties.

Now I shall call Shrimati Vasundhara Raje to speak.

**SHRIMATI VASUNDHARA RAJE (Jhalawar):** Thank you for giving me the opportunity. I will try as brief as possible. This has been a subject which is very dear to my heart and I have been battling with the various Ministries in favour of Power Ministry for a while.

It is a sector, I feel, where the States have failed to fulfill their responsibilities. Glaring example of that failure can be seen in the power sector in its totality. The BJP has consistently been advocating the cause of liberalisation, deregulation and privatisation, whenever necessary. And that is why, I unhesitatingly stand here to lend my support to this Bill.

Before coming to details of the measures that the Government intend taking through this legislation, let me try to give you a sketch of the extremely grim situation which has obtained in the power sector. Let us recognise, at the very outset, that our New Industrial Policy cannot work if there is not adequate power. Farmers cannot produce if there is not enough irrigation. So that is impossible, if there is not enough power. Our New Trade Policy which aspires to make our exports multiply, cannot succeed if we cannot produce exportable commodities. That also cannot happen, if we do not have power.

I do not think there is a single city in India today that can boast of 24 hours of uninterrupted power supply. Neither is there a single field in this country where there is no fluctuation as well as uninterrupted power supply. The problems of power are in rates of production, transmission and distribution. And the position is so acute that almost all the State Electricity Boards are in a deficit. I do not want to keep the House for too long. But I wish to point out a few figures in the All-India contest.

The demand and supply shortage position of power at the end of the Seventh Plan is minus 16.7 per cent. This is not taking into account the low frequency and the voltage conditions.

The Eighth Plan target proposes 38,369 megawatt of power generation in the sectors of thermal, hydro and atomic energy. The position at the end of the Eighth Plan - if this target is fully achieved - is still going to be minus 7.7 per cent.

It is not feasible and it is not possible, at this time, to achieve this target. This is because, many projects that were part of this 35,369 MW package have not been cleared. An additional target of 4,212 MW was fixed for 1990-91, but the achievement; against that was only 2,776 MW. These delays were due to disturbed law and order situation, inadequate cash flows and the delay in the supplies. Out of 38,369 MW projects which were recommended, the commissioning of projects totaling about 13,000 MW have gone on to ninth plan. As a result, the additional capacity of only 27,000 MW was commissioned. And, the power supply position for All-India will be minus 16.6 per cent. The capacity addition position of 27,000 MW includes about 4,000 MW for worthy schemes which are still pending. If these clearances are not obtained in time, the addition will only be about 23,000 MW. And because of that, the supply position will be further more reduced to minus 20.3 per cent. Such a large scale energy shortage in the country would have very serious implications on the industrial, agricultural, transport, commercial and domestic sectors in the country. I would like to quote with your permission, figures that apply to Rajasthan. Very recently, Chief Minister of Rajasthan has written to the Prime Minister. In his letter he said that :

"The State of Rajasthan is the second largest State of the Union. In the field of energy, what Rajasthan inherited at the time of merger was nothing substantial, being a mere 13 MW of installed capacity.

The state is not endowed with many potential sources of energy, it has no coal or petroleum resources and has very little hydl resources to boast of. Perforce, Rajasthan has had to depend on partnership arrangements with adjoining states to exploit the potential

[Smt. Vasundhara Raje]

available in those States. Bhakra Beas and Chambal hydro projects are ventures of this kind. The State, therefore, suffers from chronic shortage of power.

With the progressive additions to generation/allocated/shared capacity, the installed capacity of Rajasthan presently is 2721 MW. The capacity is far from adequate and the State has been experiencing shortages of power ever since 1980 as the demand has always outstripped what the generating stations could supply. Consequently, the State has had to impose cuts, even to the extent of 80 per cent to 100 per cent on industries, particularly in winter months when the agriculture load is at its peak and it is often found difficult to maintain 8 hours' power supply even in Blocks to agriculture sector. While as on 31.3.1991, 3,88,000 agriculture wells have already been energised in Rajasthan, the annual energy consumption of which is about 32 per cent of the total energy consumed in the State, there are 2,02,000 applications still pending and the State is finding it increasingly difficult to cater to these in the absence of availability of corresponding additional generation capacity. If all the pending 2 lac applications are release/power connections it would require an additional installed generation capacity of about 2000 MW."

The vital aspect that I would like point out is Rajasthan's dependence on power for drinking water. Presently, there are about 13,000 drinking water connections energised with a connected load of about 155 MW and every year 800 to 1000 new connections are released for drinking water purposes, which number is again constrained by non-availability of power. The new PHED schemes alone, which are in hand as well as envisaged in the near future,

would require additional power to the extent of 105 MW.

The industrial load in the State is already looming large and about 10,000 applications for an estimated load of 250 MW are pending. If these applications are not disposed of in time, which will be difficult to do in the absence of additional generation capacity, the economy of the State is likely to be in serious jeopardy.

Briefly, I would like to tell you about the peak demand deficit which we are expecting in the years to come. In 1990-91 it will be 25.2 per cent; 1991-92- 31.4 per cent ; 1992-93 - 36.8 per cent; 1993-94 - 41.7 per cent and in 1994-95 the projected deficit is 44.9 per cent. By all accounts, I think, that is quite enormous. There are a few consints because of which these huge deficits are there before us. Some of the constraints are the lack of adequate funds and organizational and financial lacuae in all the SEBs.

14.00 hrs.

There are inadequate fuel linkages of coal, gas etc. and of course, the inevitable Environment Ministry is always standing as a major block for clearance of projects.

In Rajasthan, at this very moment, there are a number of projects which are lying for the last seven to eight years waiting for clearance, mainly being held up by the Environment Ministry. There is the Kota Thermal Power Station III which was sanctioned at a cost of Rs. 217 crores; its revised cost in March 1991 is Rs.403 crores. The Suratgarh Thermal Power Station was originally costing Rs.493 crores and today in 1991 it is Rs.1084 crores. It was approved by the Central Electricity Authority in May 1991, after seven years. The Chittorgarh Thermal Power Station which was Rs.451 crores is now costing a thousand crores of rupees. The Mandalgarh Thermal power Station was Rs.599 crores is now costing Rs. 1600 crores. The 30 MW Solar Thermal Power Station in Jodhpur which was originally costing Rs.90 crores is today costing Rs.180

crores. The Anta Stage-II which was costing Rs. 372 crores is today costing Rs. 781 crores Gas linkage for this scheme has been pending for quite a while. The Ministry of petroleum has granted the gas linkage for similar power stations in Gujarat and Madhya Pradesh. But so far they have not thought it proper to give it to us in Rajasthan.

Pricing of the gas has been another problem for us, for our Manhar Tiba project to Jaisalmer District. At the end of it all, I have to come back to the Dholpur power project which began with an initial outlay of Rs. 574 crores. Today it is going to be worth about Rs. 1600 crores. For the last seven years I have myself seen this project in various stages and very very closely. At the last instances, a year ago, the Power Secretary and the Secretary for Environment both went at the invitation of the State Government to Dholpur and checked out the sites, they made certain observations and came back very clear in their minds that this project should be sanctioned. But after all the talks that were held, after all the paper work that went on and inspite of that the Environment Ministry came back to us with the same four questions which have been given to us for the last six years.

In fact, the Environment Ministry is over-stepping its brief now. It actually went as far as telling us as to how much money we should invest, where we should put up the power project and they even went to the extent of urging Rajasthan, put up power projects in some neighbouring States. I really feel that is really exceeding its brief. Therefore, it is very important that we must constrain - everyone of us should put our heads together on this - the Environment Ministry to a time-bound programme. If their questions have been already answered, I don't believe that they should be allowed to raise the same questions again. Let them have a time-bar of six months, eight months or one year; but within that period the project must be cleared. There is no question of leaving it to hang fire with the kind of time that it takes.

I would like to draw your attention to the number of permissions to be taken. It is quite shocking that as of today, if somebody wants a clearance for a power station, there would be something like 17 clearances that one would have to get, apart from the statutory cost estimates, the techno-economic clearance, publications, water availability, SEB clearance, pollution clearance and naturally forest clearance. It is a major time consuming process.

We command the Government for bringing forward this legislation. It is the beginning of a new power policy and basically of a new era. It is not a complete policy - that perhaps you will agree. It is only the first step in the right direction. We recognise that all our problems will not vanish overnight. But nevertheless the components of this policy are very commendable. For example, the incentives for licensing companies being made more attractive is welcome. Even non-licences permitted to set up generating companies is to be welcomed.

No restriction on size and type of project is a correct step. No upper monetary ceiling is a very good idea. Also welcome are faster clearances, single point clearance mechanism and the establishment of a high powered board combined with a higher debt equity ratio.

Before I conclude, there are a few things that worry me which I would like to bring to the notice of the Minister for power, through you Sir. First of all, I would suggest to him that he sets his own house in order. On the eve of a Bill which is so very important, a former Chief Minister of Himachal Pradesh and a prominent member of the Congress Party has this to say on 16th September, that is yesterday in Shimla. He said that he was in favour of the privatisation but on selective basis and power sector being the core sector was not amenable to privatisation. It is very difficult to understand that on the one hand you are sitting here mooting the Bill and on the other hand a member of your Party is sending out this kind of a signal. Such statements do result in very mixed signals going out and they don't inspire the

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confidence of the investors and they do prevent new policy initiative from being taken.

Everything will depend on the implementation. No good legislating, if subsequent implementation is going to be stymied by bureaucratic rigidity that has become a virtual second nature. Whatever other amendments, deregulation of laws and rules are required - move fast on them. There is no point dragging one's feet over it.

Finally, please ensure that all States of the Union appreciate and empathise with this policy initiative. This is an important matter in which we cannot fail. If we do, then in time to come we will be truly lightness.

Before I conclude, I would like to thank you for having given me the opportunity to open the debate on this Bill and make my submissions. I hope that this Bill will be passed smoothly and that we will move into a new era for power generation.

**SHRI SRIBALLAV PANIGRAHI** (Deogarh): Mr. Deputy Speaker Sir, I rise to support this Bill. In fact, there has been a demand for the introduction of private sector in the field of generation of power since long. It is no pleasure to invite private sector to this area. But there is compulsion. What is that compulsion?

In the field of power generation, we have covered a lot of ground and spectacular achievements have been made in this country. As you know in 1947, when we achieved independence, the power generation was of the order of about 360 MW only. Over the years, the present level of generation has gone upto 65000 MW. Look at the progress. There is a quantum jump, from 380 MW at the time of independence to 65000 MW now. But we are in short supply of power, although there has been a quantum jump.

In this modern age, power and energy hold the key to progress and prosperity. Without energy, without power the wheel of development cannot move even an inch

forward. Therefore we have to set that there is a balance between the supply and demand position. In spite of magnificent and fantastic progress made in the field of power generation dearth of power in as much as there is power shortage in different States. Barring a few, in almost every State there is shortage of power. It is experienced at least during the summer season. Therefore, which is required is to augment our generation capacity. How to do it?

In the Eighth Plan, we had a programme of generation of additional quantity of 38 thousand MW of power. But, because of the constraint of resources, because of resources crunch, we could not achieve this target. Money supply was reduced; allotment of fund was reduced. Thus, instead of 38 thousand MW of power, it was cut down to 26 thousand MW of power. So, there is a difference; there is a shortfall of 12 thousand MW of power. The Ministry of Energy wanted an allocation of 127 thousand crores of rupees. As against this, they were given only 69 thousand crores of rupees. Thus, it has aggravated the problem of shortage of power in our country. It is further disturbing to know that in the Ninth Plan, we will not be able to go in for generation of the entire requirement of power. Only 34 per cent of the additional power requirement will be generated, as is given to understand. So, there will be an additional shortage of power to the tune of 66 per cent.

There is a general shortage of power of seven per cent which is increased to 7.9 per cent at the peak period. That is, the requirement of power during peak period is falling short of 7.9 per cent now.

Now, let us come to different zones. In the Northern zone, the shortage during the peak period will be 30.3 per cent, against an average deficit of 11.5 per cent. The corresponding figure for the South will be 29 per cent and 20 per cent respectively. Given this bleak picture, the decision to allow 100 per cent foreign equity investment, to encourage and ensure private participation, generally mobilise or amending the relevant law is expected to noblesse resources.

This being the position, we want power for everything. We want power for our progress, for prosperity. Millions of people - even poor people who were depending on kerosene lamps - have switched over to electricity bulbs. We want power, but we cannot generate power in required measure as we do not have resources. Government do not have resources of their own, funds of their own. So, there is no other way, but to bring in private sector in this field. But the Government will have to be cautious also, while giving licenses to the people. I understand that 17 large industrial houses are interested to step into this sector.

When the Hon. Ministers replies to the debate, let him inform as to what is the real position; what is the response from our industrialists to this proposal after having known that the private sector is being introduced and that private participation will be there. They should know that because of the resources crunch only, we are encouraging them. Otherwise, in this power sector, it is no pleasure to invite industrialists. If they again depend on bank finance to build the power projects, to construct the power projects or power houses, that will be an encroachment and that allotment of amount could otherwise be diverted for other purposes; and even the Government could do that. So, the industrialists who without depending on bank finance or institutional finance and who stand on their own money, invest their own money, should be given priority. If they use the public money or if they seek the bank finance, they will be encouraging on this sector. Therefore, the Government should be very careful about it.

We all know that the health of power boards - State Electricity Boards - needs improvement.

With the introduction of private sector in this sector, there will be cut-throat competition. Of course, in the interest of the consumers, that will be good. Even now, the consumer are being exploited because there is a monopoly in this field. By way of arbitrary power tariff they are being exploited.

I am giving one suggestion. When the new industrial houses come for licenses to set up big industries, the licenses should not be given to them without any condition. A condition should be attached. What is the condition? They should have their own captive power plant. While setting up a big plant, if the industrial houses require a heavy quantity of power, they should be insisted upon to have their own captive power plant. Otherwise there will be a big drain on power supply from our general side.

The National Thermal Power Corporation has been entrusted for building so many power plants. They have their own culture. But I am sorry to observe their work culture which has hitherto been very good. It is gradually getting diluted with increasing inefficiency corruption, favouritism, etc. That should be looked into by the Hon. Minister so that they work properly.

Now I come to Orissa. It is a backward State and is suffering from acute power shortage all the time. There is one power plant under construction at Talcher by the NTPC. That should be expedited. In Talcher also, the things are not moving properly. They are not progressing well. It is being mismanaged by the management there. It looks as though it is not in the public sector but in the private sector. They are succumbing to the dictates of a few individuals. Therefore, things should be corrected there.

I would like to bring to the notice of the Government, through you, that a few years earlier, there was an expert committee set up by the Energy Ministry which went around the country. It selected certain sites for setting up new power stations - thermal, hydel, everything. When industrial houses are coming forward to enter this field, the Government should prevail upon them to build up their power stations at these selected sites. They should not be given an absolute freedom to set up wherever they like. After careful consideration, these sites were selected. So, this should also be suggested to them.

[Smt. Vasundhara Raje]

In a place called Hirma near Jharasagoda in Orissa, there is a proposal to build a major power plant of 3000 MW by the NTPC. That should also be expedited.

It is a welcome measure. There is no escape from it. We have to generate power in a very rapid manner. After all, we are progressing in this field. In spite of our progress, we are having shortage of power. We have to balance it. The entire world is going ahead. The per capita power consumption in our country is much less when compared with the per head power consumption in developed countries. We are far far behind. Again, the developed countries are further developing. The world is changing. If we correspondingly do not generate power, we will be left behind. Therefore, it is a welcome proposal to invite the private sector to this field..

At the same time, due caution has to be observed, while introducing private sector in the power generation Sector.

SHRI SAYED SHAHABUDDIN (Kishanganj): Mr. Deputy Speaker, Sir, I rise to support the Bill but wish some reservations.

Sir, you may recall that power was nationalised and under the Industrial Policy Resolution, it was included in the area of economic activity which would be reserved for the State. It was included in the core sector for our plans. I am not against the objective of this Bill. I think the circumstances have forced us to accept widening of the participation of the private sector in the power area. But I would like to caution the Government that it must see to it that the commanding heights of the power sector of our national economy continue to be controlled by the public sector. There should be no dilution on that score. I am not against expansion of the role of the private sector. Indeed, it fits in with the new liberalisation measures that the Government have adopted. And as I said, it may be a compulsion of the situation that we are facing but we must not permit the private sector to dominate the power economy. That is the first point that I would like to say.

Secondly, regarding definition of generating companies, the Government has reserved to itself the right to define the limits. While it has defined in terms of the private companies which come under the Companies Act, I can easily envisage a situation of small generating companies servicing a small area, may be even a Panchayat. And I do not see why they should be limited only to companies which are registered under the Companies Act. Why cannot the definition of the generating companies be expanded to include cooperatives and gram panchayats which can be given this role to generate power for limited use in their own areas ?

Sir, there is nation-wide power shortage which is an established fact and I do not have to quote the statistics on that account. We also know that power is a highly capital intensive venture and we have not been able to afford the sums that have been allocated, as has been pointed out by the Hon. member who spoke just before me. What I am anxious to emphasize is that while there is a power shortage; the burden of shortage is not distributed equally and equitably. Many people and many regions are affected by power shortage. But there are certain groups of people, certain areas, certain metropolitan centers, urban areas vis-a-vis rural areas which get partially affected. If there is power shortage, why should it not be shared by all the people and all the towns ? I am afraid that if the Hon. Minister will examine the pattern of distribution of power even in a single State, he will find that there are districts which receive almost no supply and there are districts which receive step motherly treatment. I am far even and equitable distribution of burden and I hope that the Hon. Minister will keep that in view.

There are areas I know which are the power line passes by.

[SHRI RAM NAIK *in the Chair*]

14.22 hrs.

I can give one example, Mr. Chairman. We derive some power from the Chukha generating station in Bhutan and a part of it

is supplied to Bihar else. The line passes over and through three districts without giving any share to them. I think it is totally unfair. I am sure that the Hon. Minister knows about it. The Hon. Minister is also aware that we have schools now in every village. Sometimes, I find that even at the time of examinations, there is almost no power supply in rural areas and semi-urban areas. Thus, the children suffer and education suffers.

Their lives suffer. I do not see why Delhi should receive an unreasonable share of power generated. I am quoting Delhi only as an example.

My third point is that, while the installed capacity because of the capital intensive nature of investment is inadequate, our capacity utilisation continues to be extremely poor. Even the national average is extremely low. There are States and regions where the capacity utilisation is even lower. I am particularly worried about Bihar where the capacity utilisation is of the order of about 30 per cent to 35 per cent. I think that the Government had taken some remedial measures. I would suggest that the Hon. Minister should inform us about the impact of these remedial measures and whether he has under consideration some other steps in order to improve the capacity utilisation of existing plants.

I totally agree with the Hon. Member that in case of new industrial projects, power supply can be developed as a part of that industrial venture. That will perhaps help us.

Now about rural electrification programme which is almost totally funded by the Central Government. I find that there is again an element of inequity in the distribution of rural electrification funds among the various States. In order to bring the level of rural electrification on par all over the country, the States which have a lesser proportion of villages electrified should be given higher quantum of allotment and similarly when the States distribute the available funds among various districts, the districts at the lower level, should receive a

higher proportion of funds so that over a period of time, we can reduce the disparity between one district and the other and between one State and the other.

Sir, the rural electrification programme has given rise to a lot of complaints. I am sure that the Hon. Minister receives them all the time. There are lines with no power. There are lines without transformers, the transformers were burnt out and were not replaced. Sometimes on paper, the work has been completed, but in actual fact, the line does not exist. I would suggest, that before a completion is recorded in respect of the electrification of a particular area or a particular Panchayat, there should be a provision of securing certificate from the *Mukhiya* or the *Sarapanch* of that Panchayat that the work has been completed.

There is a shortage of equipment and transformers in the sub-stations which reduces the programme to a complete force.

Finally, I come to the aspect of corruption which has been referred to already. The Power Department is competing with the classical Departments like the Police, the PWD and the consolidation of holding in the extent of corruption which is rampant. I am sure that the Hon. Minister is conscious about the theft of power that taken place with the connivance or abatement of the staff who are working in the Power Department. This is being done not only in villages but also in towns. I am sure that one way of upgrading the revenue is through curbing this power theft.

In conclusion, I would say that the source of energy in the near future, whatever the Hon. Minister might do is going remain conventional. It is going to be oil, gas and water. We have limited resources of oil and gas. About water, I would like to draw the attention of the Hon. Minister to the need for having intensive negotiations with our neighbors, like Nepal and Bhutan in order to tap the enormous hydro-power resources of the Himalayan range without which this sub-continent shall always remain power starved.

[*Translation*]

SHRI KRISHAN DUTT SULTANPURI (Shimla): Mr. Chairman, Sir, I rise to support the Electricity Fund (Amendment) Bill. In the Bill, emphasis has been laid on generation of electricity in the private sector. I want to submit to the hon. Minister that the present Bill envisages to generate and distribute electricity through the private sector. Thus, the big companies would be free to take huge credits from our banks and the Government would stand guarantee for the loans so taken. So far as private sector is concerned, all the industrialists are indebted to banks and they have not repaid the loans which they have already taken. The arrears amounting to crores of rupees are outstanding against them and they have caused a great loss to the nation. Therefore, before we allow them to step in this field, we must take care that these people belonging to the private sector do not exploit the labour class.

I have seen that privatisation in respect of cement generation of electricity, etc. is on the agenda of the Government of Himachal Pradesh. The Chief Minister of the State has also issued a statement in this regard. I would like to say that we, the people of Himachal Pradesh have been subjected to discrimination. When Punjab was trifurcated into Punjab, Himachal Pradesh and Haryana, an agreement was signed between the Government of Himachal Pradesh and the Government of India at that time under which our state was to get cost of 7.19 per cent of electricity generated in Himachal Pradesh. That amount was not given to us with the result that arrears amounting to crores of rupees are outstanding against Punjab. Had we were given that money along with the amount relating to 2.19 per cent electricity as agreed upon in the agreement, Himachal Pradesh would not have suffered.

Therefore, I would urge the hon. Minister to keep the agreement in mind while replying to the debate. When reorganisation of Punjab took place and three states, viz. Punjab, Himachal Pradesh and Haryana came into

being....(*Interruptions*) All the employees of Electricity Board in Himachal Pradesh are being arrested and put in jails under MISA. The government is not ready to hold a table negotiation with them. On the one hand, the Government of Himachal Pradesh is entering into some deals with private parties and collecting money for electioneering purposes, on the other hand, poor people are being subjected to harassment. I do not think that the Government of India has forced the government of Himachal Pradesh to sign such agreement. The hon. Minister along with our leader, Rajiv Ji had gone to Nathpa Jhakri to inaugurate the hydel project there. I know that you are the Minister in charge of the Portfolio. You have tried your level best to increase the generation of electricity. You are doing it today also. I think that Himachal Government is defaming the Central Government.

I hope that you will protect the interests of engineers workers and the people of Himachal Pradesh and will enact the Legislation in such a manner that we could get the benefit. At the same time, I would also request that the Central Government would help our State in getting the payment of Rs. 50 crores from the U.P. Government in lieu of electricity we had supplied to them.

I think you for giving me an opportunity to speak. (*Interruptions*).

I request the hon. Minister to direct the government of Himachal Pradesh to hold negotiations with the leaders of the Electricity Board employees and reach an agreement so that they are able to get the needed relief. [*English*]

SHRI SUDHIR GIRI (Contai): The Electricity Laws (Amendment) Bill is nothing but the replica of the Government's reformed economic and industrial policies dictated by the ne-imperialist forces much to the detriment of the good of the common people. I, therefore, oppose the Bill.

The Bill under consideration seeks amendment to the definition of the generating company. By this amendment the

Government seeks to induct the private sector participation in the power generation. We are against privatisation because the reason is simple. The private management and ownership does not care for the interest of the poor people which constitute the vast masses of our country. The veritable fund in the power sector is inadequate. I appreciate it.

I am aware of this fact because the Ministry demanded Rs. 1,27,000 crores for the Eighth Five Year Plan but the Planning Commission slashed the allocation to Rs. 69,000 crores only. Private sector participation in power generation will bring in augmented investment. But the concomitant results would not be helpful for the masses, for the simple reason that the vast masses will be exploited.

Rationalisation in tariff will result in the increase of tariff and the agriculturists enjoying concessional rate will be affected. Thus the agricultural production will also be affected.

Clause 11 of the Bill authorises the Central Government to determine the tariff for the sale of electricity by a generating company. The proviso explains that if the generating company is partly or wholly owned by the Central Government, the tariff shall be determined by the Central Government. But in cases where the State Government and the Central Government are jointly owners of generating company, then it is the Central Government which shall determine the tariff.

It is a very anomalous position. In a State where the generating company is owned by the Central Government, its tariff may vary from the tariff fixed by the State Government owned generating company. On the one hand the State Government's jurisdiction is encroached upon and on the other a very disturbing situation will arise. I, therefore, suggest that the Central Government must act in fixing the tariff in concurrence with the State Governments.

My second suggestion is that while

determining the tariff the consumers associations and trade unions in different states should be consulted. The Government is inviting foreign capital into the power sector with even one hundred per cent foreign equity.

Further, the private sector is offered the relaxation of the debt equity or norm of 4:1. It will increase the guaranteed rate of return on equity from 12 per cent to 16 per cent. This will lead to capitalisation of interests.

The Bill provides for guaranteeing returns on capital. It will lead to heavy overcapitalisation. The high costs will be passed on the consumers. Have the Government got any mechanism to verify the producers' claims as to the correct value? I think that the government has no such mechanism.

In this connection, I would point out that the Bill does not provide for striking a balance between the foreign component in equity and debt. If the foreign equity allowed alone is allowed to come in, in the form of foreign exchange, and debt portion is raised domestically, the net outflow of foreign exchange will take place to finance the import of plant and equipment. This position should be examined explained.

MR. CHAIRMAN: Please wind up.

SHRI SUDHIR GIRI: I seek your indulgence for two or three minutes. I am concluding.

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): Whatever might have been the time fixed, this is important question and you may kindly allow more time.

MR. CHAIRMAN: But only one hour has been allotted.

SHRI NIRMAL KANTI CHATTERJEE: Apart from whatever has been decided, this involves is a very important matter associated with the industrial policy. Some flexibility should be there.

MR. CHAIRMAN: That was taken into consideration while fixing the time.

SHRI NIRMAL KANTI CHATTERJEE: I know it. At all times we do; we remember everything.

SHRI SUDHIR GIRI: I would like to explain why we are opposing this bill. In every case of private management, the work force becomes the first casualty. Retrenchment of employees does take place. Machines are brought in. The profit motive reigns the whole phenomena. Employment potential does not improve. This will be proved by the fact that in a period of ten years from 1976-77 to 1986-87 available statistics show that the increase in investment is from Rs. 303 billion to Rs. 977 billion. But the net increase in employment comes to 0.3 million only.

I would conclude by saying that the government encourages the private sector to make inroad in the core sector area reserved for the public sector. Thus, the government makes the capitalist way of development as their motto. But it must be remembered that this will not do good to the common masses.

DR. LAXMINARAYAN PANDEYA (Mandsaur): Mr. Chairman, Sir, in the absence of national policy on energy, a situation has arisen in which we have reverted to our original position when plans were initiated. The Government took over all the private companies which were generating electricity before and immediately after attainment of independence and constituted different electricity boards in the states and granted them autonomy. Today, Government is doing exactly the opposite—by again handing it over the private sector. I am of the view that this happened due to fault in our policies. There must have been some shortcomings which gave rise to energy crisis. Every state in the country whether it is Madhya Pradesh, Rajasthan, Himachal Pradesh or Maharashtra, is passing through energy-crisis. There is a wide gap between demand and supply everywhere. At some places private power

generating units are still working as in case of Maharashtra and Delhi but such units are not available everywhere. At certain places this type of power generating units do exist, but their number is very few. Their generation capacity is also very low. They cannot meet the demands of electricity.

Due to excessive control by the Government and Ministries on the affairs of these electricity boards and electrical divisions, they cannot function independently. The quantum of transmission loss is also very high. Electricity Boards are suffering heavy losses and have become paralysed due to overstaffing. Their losses run into crores of rupees. The Electricity Boards of Bihar and Rajasthan or any other state are running at loss. Neither the Government has been able to raise their generation capacity nor reduce their losses. So the Government proposes to transfer power-generation work to the private sector, it clearly shows that right policies have not been followed for distribution and generation of electricity.

I am of the view of the country's requirements, it is a step in the right direction. We must see that it is fulfilled under all circumstances. Then only we can avert the energy crisis. Till date, we have not been able to tap available energy sources properly, I would like to point out to the hon. Minister that we can generate electricity from coal and from water. We can also generate solar energy, though its quantity is very negligible. We can meet our requirements by setting up gas based power plants. But very less work has been done in this direction.

I would like to draw the attention of the hon. Minister to pay attention to this point. The hon. Minister would agree with me that not a single gas-based power plant has been set up in Madhya Pradesh through which a 550 km long gas pipeline passes. However, it was approved that gas based power plants would be set up in Madhya Pradesh and other states. There is shortage of electricity in Madhya Pradesh and there is no reason to keep Madhya Pradesh devoid of a gas-based power plant when 550 km

long gas pipeline is passing through it. If such a power plant is set up there, the requirements power of the state could be met. At the same time if power grids are set up on regional and interregional basis, the neighbouring States would also benefit and Madhya Pradesh is no exception. This point may please be taken into consideration.

I shall conclude after making yet another submission. Power rates vary from State to State. There is a need to remove the disparity in the rates. The Government proposes to entrust the work of power generation to private sector. At the same time it would be in the fitness of things if the private sector is also entrusted to manufacture. Power generating equipments instead of restricting it to large public sector units like the BHEL. If the private sector is encouraged in this manner, we can boost power generation in the country. I hope that the Government would strike a balance between these two propositions.

I have made various suggestion for the generation of electricity from coal, water and gas. If the government implements these suggestions, it can remove energy crisis. I have given notices of amendment in the Indian electricity Act 1910 and the Electricity (Supply) Act, 1948. These amendments will prove very helpful in the present circumstances. I do not oppose the Bill, but there are certain shortcomings in this Bill. Which you must remove and then introduce a comprehensive Bill. The hon. Minister should pay attention to the working of electricity Boards. There is an urgent need to evolve a policy under which interference of the Central and State Governments in the working of Electricity Boards could be minimised.

**SHRI RAMASHRAY PRASAD SINGH** (Jahanabad): I would like to submit that the Bill further to amend the Indian Electricity Act, 1910 and Electricity (Supply) Act, 1948 has been brought forward in a hurry keeping in view the energy crisis. I oppose the Bill because Government wants to handover Power generation to the private sector. When there was a continuous fall in power

generation, cost of generation was escalating and power generating units were running at heavy losses, Government should have tried to find out the shortcomings in the system. It should have been fully investigated. Trade Union leaders should also have been consulted. There are certain things which they know well. Had the investigation been done, these shortcomings would have been overcome. Even after removing the shortcomings if the quantum of Power generation goes down, there was no wrong in bringing forward this Bill? Without investigating into the matter the Government has brought forward this Bill for privatisation of the power sector. What will be its outcome? It would only lead to exploitation of labourers and their retrenchment. Power rates will also go up. Farmers will suffer. If poor farmers cannot afford costly electricity, agricultural production will suffer. It has been observed that the Government is following a dual policy in respect of power tariff.

While a farmer pays at the rate of 50p a businessman pays 5 paise. This is an illustration as to the path to which this new Industrial policy is leading the country. Framers of Indian Constitution had proposed the path of socialism for this country. But handing over the affairs of the State from public to private sector is not socialism. Since this Bill is against the spirit of socialism and Indian Constitution, I oppose the Bill. The Government should withdraw the Bill and first go into the causes of dismal performance of power generating units. If they think that privatisation of power plants can solve the problem then it is not correct. There are a number of units both in the private as well as public sector. In Bihar, Private agencies are going to take up all such work. In Dalmia Nagar, a factory in the private sector was closed down. All laborers were rendered jobless. Several of them committed suicide by hanging and by consuming poison. They were totally disappointed. This not necessary that the private sector should work for the welfare of the people because it works with the sole aim of earning profit. Their target is to earn net profit. Our task is to work for the welfare

[Mr. Manmohan Prasad Singh]

of the people, ours is a welfare state and our Government is not the Government of the capitalists. Under such a situation my suggestion is that the Government should adopt such measures. It will lead to resentment among the workers and they will be rendered jobless due to retrenchment and will adopt the same path which some people in Assam, Punjab and Kashmir have adopted. Then you will ask as to why such a situation has developed.

Therefore, it is not advisable to bring this Bill under such circumstances. It should be enquired into as to why such a situation has arisen. If there is no increase in the production, then you can bring such a Bill and we will extend our support.

SHRI S.M. LALJAN BASHA (Guntur): Mr. Chairman, Sir, we don't oppose the bill which has been brought forward here, since the country needs electricity very much and generation has gone down. The Government has no funds even for those projects which are being implemented by it. That's why the work relating to generation of power is being handed over to the private sector. I would like to request that co-operation of State Government should also be sought to form a joint sector and such projects should be handed over to them. Even today, there are a large number of villages, where electricity has not reached till now. We should take some concrete steps through this Bill, so that the people are benefited and electricity could be supplied to such areas where it has not reached so far.

Therefore, I would like to put forward a suggestion to the Government that if generation of electricity is handed over to the joint sector instead private sector, it would be more beneficial. In this way, more projects will be undertaken and more people will be able to get employment.

SHRI AYUB KHAN (Jhunjhunu): Mr. Chairman, Sir I am happy to see you in this prestigious seat. The person occupying

this Chair is an epitome of Justice and may God fill your heart with a strong sense of justice so that you are able to do justice with one and all.

MR. CHAIRMAN: I feel blattered.

SHRI AYUB KHAN: I rise to support this Bill. At the outset I extend my congratulations to the hon. Minister who has brought forward this Bill in this august House. In the present times, our country is faced with acute crisis of electricity and the steps taken by you to overcome this problem are welcome. Your attempt to hand it over to the private sector is an appreciable step in this direction. However, we are required to deeply contemplate on the ways to be adopted to distribute electricity. The Government will have to examine the scheme that is to be formulated and the manner in which the distribution is to be made by the private sector. I hail from Rajasthan. I cannot comment on the attitude of Rajasthan Government whether they are supporting or opposing the farmers because our friends may feel offended. However, I want to point out that there was a time when electricity connection could be had for Rs. 25, but today the charges have shot up to Rs. 25,000. How can an ordinary farmer afford to pay such a huge amount and at the same time provide food for his children. I am sorry to say that how can a State Government which could not comprehend the difference between affording Rs. 25 and Rs. 25000 provide electricity to the farmers. Rajasthan is the second largest state of the country area wise. It is lagging behind in the matter of electricity. The Rajasthan Government have urged the Centre to fulfill their outstanding demands and extend assistance for the generation of electricity at the earliest. Pending State projects such as Dholpur, Suratgarh, Chittorgarh and Mandalgarh should be given early clearance. The neighbouring states of Rajasthan have their own sources of hydel power generation but the people of Rajasthan are pining for water. Rajasthan neither has any arrangement of water nor electricity which are essential for accelerating the pace of development in the State.

Mr. Chairman, Sir, my submission is that a rule should be formulated to contain pilferage of electricity. One of our friends has informed us that the number of officers in the electricity Boards are too many in number. Under an S.E. there is one XEN, under an XEN there is an AEN, an AEN there is a under a JEN, under J.E.N there are scores of officers. As such there is less work and more corruption in these Electricity Boards. I want that a limit should be fixed with regard to the number of offices to be employed in these Electricity Boards. This will help in reducing the corruption, I would also like to make a mention about the corruption which is there in our State with regard to providing electricity with no time can provide connections to tube wells. The officers can provide connections of their palm is greased, but if he is not willing, he can take days together. In Rajasthan the farmers depend on rains for irrigation. As such if connections to wells are provided they can do irrigate their fields in time. Therefore, whosoever is the party in power in Rajasthan, it should make necessary provision to provide electricity at the earliest possible to enable the farmers to increase their rate agricultural production with the help of electricity. Among the power projects, the project associated with water should be completed on war footing. The big industrialists should be provided electricity at higher rates so that the farmers could be provided electricity at cheaper rates.

Mr. Chairman, Sir, I hope that the Government will pay attention to the aforesaid points because Rajasthan has neither coal nor gas. In addition to this the Madhya Pradesh Government is giving a discriminatory treatment to the Rajasthan Government. It is evident from the fact that we are being deprived of our share although both the states are being ruled by the same party. As such the development of Rajasthan has come to a standstill. The Chief Minister of Rajasthan has written to the Central Government about the pending projects and if these projects are given clearance, I believe that the people of Rajasthan will be benefited.

PROF. PREM DHUMAL (Hamirpur):

Mr. Chairman, Sir, at the outset, I would like to thank the Government and the hon. Minister for identifying the causes of power crisis in the country and for taking the decision to motivate the private sector to enter the field of power generation. Power crisis leads to other economic crisis and as such I support the Bill that has been introduced.

Mr. Chairman, Sir, owing to the corruption that exists in various State Electricity Boards, almost all of them are running at loss. The loss is to the tune of billions of rupees.....

MR. CHAIRMAN: You have four minutes to speak.

PROF. PREM DHUMAL: I will finish in four minutes. I support this Bill but at the same time I would like to point out that despite having a potential to produce 20 thousand Megawatts of Electricity, Himachal Pradesh is able to produce only 17 per cent of it owing to paucity of resources. I am aware of the fact that neither the State Government has the required resources nor does the Central Government extend adequate assistance. If the State which has the potential to generate 20 thousand Megawatts of power is provided with adequate resources the problems relating to power shortage in the northern region can be overcome.

Mr. Chairman, Sir, apart from this the position of electricity generated through coal is very precarious because the stocks of coal are limited. The other sources through which electricity is generated spreads pollution in the environment but the hydro-electricity projects neither have any ill effects on the environment nor are they expensive. To fulfill the target set for the Eighth Five Year Plan it is necessary to produce 38369 M.W. of electricity, but in view of the limited resources available with the Central Government, it looks to be an impossible task to achieve it. This objective cannot be achieved due to financial constraints. As such we welcome the entry of the private sectors in this work and support this Bill.

With these words, I thank you.

SHRIMATI GIRJA DEVI (Maharaj Ganj): Mr. Chairman, Sir, I strongly oppose this Bill on electricity. There is a contradiction in what the government preaches and what it practices. Through this Bill, you are making an endeavour to hand over generation of electricity to a handful of people and it seems as if you have adopted an attitude to extend benefit to a selected few. In such a situation, it would be ideal if the Government categorically mentions the names of those whom it wants to benefit, because in that case the people would have come to know the intentions of the Government. We are not living in dark. Not only the Electricity Department but the Government and the country is passing through a delicate phase in which taking loans from foreign countries has become a daily routine and we have got habituated to it. I do not know why the departments being run by the Government for so many years are today in the red. Why has their performance deteriorated to such an extent? It is said that since they are based on thermal power, electricity will be easily available. It is an irony that despite the fact that we are producing huge amount of electricity in our country, we are living in darkness and now the move to transfer it to private sector indicates that our future will be plunged in darkness. Perhaps it will brighten the future of certain selected people. I do not have any difference of opinion about it. Therefore, I strongly oppose this Bill and thank you for giving me time to express my views.

SHRI PAWAN KUMAR BANSAL (Chandigarh): Mr. Chairman, Sir, the availability of electric power is a veritable barometer of judging the level of economic development. In our endeavour to raise the living standard of our countrymen, power generation has always been accorded top priority in our planning. However, resource constraint has been a major impediment in the path of attaining self-sufficiency in this sector.

15.04 hrs

[SHRI P.M. SAYEED *In the Chair*]

Sir, the time has come when we have to give a fresh look and identify areas where private sector can be involved to meet the public needs adequately. I am happy that the government has realised that the power sector is one such sector. It is time now that we get rid of various dogmas and take a pragmatic approach to the various problems besetting us. I was somewhat surprised to find an objection being raised by our friends of the left when they opposed this Bill, firstly on the ground that it would harm the interests of the workers. I am sorry that I just could not understand this specious argument, because when they say so, they overlook the basic factor that with the setting up of power stations you would rather offer more jobs to the people.

You would rather meet the unemployment problem, I am somewhat bewildered to have it from them that they are prepared to go for deprivation; they are prepared to live in a condition where we cannot raise the standard of living of our countrymen.

But to talk of giving something to the private sector sounds anathema to them. I could understand that the objections would be there if it were a move of the Government to pass on certain things from the public sector to private sector. It is not so, in this case. There is rather a condition in the Bill that after a specified period, there is an option with the Government, with the State Electricity Boards to purchase the undertakings set up by a private person. The existence of such a condition, I would submit, will not bring about stability in the operation of the private enterprises because the sword of Democles will always hang on the head that after the stipulated period, somebody sitting in the Electricity Board may harass them, may extract the price for giving them further extension.

Of course, the condition is there that the functioning of these private generating companies would be regulated within the amount of the provisions of the Electricity Supply Act of 1948 and would be under the discipline of integrated grid operation.

Secondly, we had it from our socialist leanings. I am sorry again I could not understand the reasoning behind such an avowal by them. I take this opportunity to commend this action of the Government having realised the abject paucity of electricity in the country for development, for running the wheels of industry effectively, for improving our agriculture, for domestic needs, for running hospitals and for even improving our communication system. Relishing this urgent need, I am happy that the Government has taken this decision to invite the private sector to this field.

As an example, I would say that Punjab which is considered as one of the leaders in the field of power generation also has a gloomy future ahead if something is not done in the power sector immediately. From the present need of 3286 m.w., Punjab would require 4482 mega watt in the next five years. Given the unsettled condition that we have, I am sure, no private person would like to go to Punjab to invest heavily in the power sector. While the Government negotiate with the private persons to set up power generating stations elsewhere it becomes the duty of the Government to ensure that adequate funds are given to Punjab to complete the various projects which are in pipeline there.

Before concluding I would only refer to the need of Chandigarh, which is a modern city State.

Though it is small city, the requirement of electricity is not fully met. Applications for grant of license to run industry and even in the case of domestic connections remain pending for long. For the people living in the *Jhuggi Jhopri*, we have given a solemn pledge two years back to see that every hutment also gets one single point of electricity but we have not been able to fulfill that pledge because of shortage of electricity. I know the hon. Minister is a dynamic person who looks after the poor, who cares for the poor and he has brought about many changes and improvements in the system. I would, therefore, take this opportunity to urge upon the hon. Minister to divert his

attention to Chandigarh also and keep in mind the needs of Chandigarh and do something in this regard.

With these words, I conclude.

MR. CHAIRMAN: I would also request the hon. Minister on your behalf.

*(Interruptions)*

[*Translation*]

SHRI MOHAN SINGH (Deoria): Mr. Chairman, Sir, I cannot support such a Bill. A new beginning has been made through this Bill. After independence the first industrial policy was formulated in 1948. The scopes of the policy were determined, electricity which was also one of the subjects was decided to be kept exclusively under the purview of the public sector. It was a new beginning under which all private companies that were associated with power generation were nationalised. Now after, 45 years of independence, due to its own failure and shirking of responsibilities, the government is again making a new beginning. Now, the Government is taking a plea that it does not have capital and due to rampant corruption in the public sector, its units are becoming sick. Regarding these three hollow logics given by the Government I would like to know from the hon. Minister whether the private sector as compared to Public Sector, has become so rich that it can take up such big projects on its own. The public sector has also its own limits and ultimately it has to come to the financial institutions of the Public sector for financial assistance.

Mr. Chairman, Sir, so far as the loss is concerned, the Government have admitted in its Annual Economic Review that an amount of Rs. 7074 crores of the financial Institutions are due on the sick units of Private Sector. Private Sector units are also becoming sick. The only allegation which is levelled against the Public Sector is that rampant corruption has entered into it. Who is responsible for this? Who is responsible to check it? The transmission loss which is shown in power sector is because of the

[Sh. Mohan Singh]

pilferage by the private sector in connivance with the officials of Public Sector. Private Sector units are consuming 1/4th more power than that of their installed requirement and it is done in connivance with the officials of power sector. Who is responsible to check these things? That is why I would say that all the three logics given by the Government are hollow logics. The Private Sector also does not have capital to invest. Therefore, the government will have to reconsider its policy and take steps to increase power generation. Only then a solution to three problems can be found.

Sir, in addition to it, I would like to come one more suggestion. The non. Ministers go on inaugurating power plants at different places. So, I would like to say that instead of fertile land of farmers, waste land should be acquired for this purpose. Though I do not have any objection to the acquisition of fertile land if it is very necessary but if waste land is available then it is no use of acquiring triple crop land for this purpose. With these words I conclude and present my Amendments.

**SHRI ATAL BIHARI VAJPAYEE** (Lucknow): Mr. Chairman, Sir, I did not want to speak on this Bill but when I saw that Shri Kaip Nath Rai has presented an important Bill, I thought that I must congratulate him. It is true as just now our friend was saying that it is a new beginning. It appears that the time has completely changed now. You can call it cycle of time. Earlier it was decided that power generation and distribution would remain under Public Sector because it is backbone of industries. But now, the private sector is being allowed to enter in this sphere. It is being done because of the experience we have gained over these years. Had power generation and its distribution been proper under public sector, the country would not have faced the present power crisis. There has been a constant demand to allow private sector in power generation but it was not accepted. But now we have reached a point where there is no alternative except to allow the private sector. All State Electricity

Boards are running at loss, generating less electricity as compared to their capacity and large scale pilferage in distribution is taking place. Many states are facing serious power crisis.

I would speak particularly of the situation in Uttar Pradesh. In rural areas of Uttar Pradesh electricity remains cut off continuously for many days. People have started gherao of Ministers of the State Government. New Government has assumed office there and they have inherited this situation from their predecessors. The Government is under debt and the State Electricity Board is also under debt. The Centre says that coal will not be supplied to the State so long as debt is cleared. From where they will clear their debt? If coal is not supplied to them, electricity cannot be generated. It will further aggravate the power crisis. Shri Kaip Nath Rai is very well aware of the situation.

Now the Central government is saying that Thermal Power plant of Unchahar should be handed over to it and its cost will be adjusted against the debt. How a State Government can hand over its Thermal Power Plant to others when it is itself in difficulty. I know that the Centre is also in difficulty.

Himachal Pradesh has many rivers where electricity can be generated. Besides its own requirement, Himichal Pradesh can fulfill the requirements of neighbouring States to a great extent. But the State Government does not have money to undertake new projects. Industrialists are interested to invest capital. Therefore, they should be given a chance to invest. We cannot restrict ourselves to one particular philosophy. If we realise that there is a need to make new experiments in economic sphere, we should not hesitate to do so. Recently, the Soviet Union and East European countries had to face serious financial crisis because of their commitment to a particular ideology. We should learn by this experience. On the one hand the State Electricity Boards are in the red whereas on the other hand, I have seen the rest houses of these Electricity Boards

[Sh. Atal Bihari Vajpayee]

which are lavishly furnished and one feels shy to touch things lest they may get dirty.

MR. CHAIRMAN: Do you suggest auction?

SHRI ATAL BIHARI VAJPAYEE: Mr. Chairman, Sir, I do not know what to do with them. All the money has gone down the drain. Does Public Sector mean this? Should this be the attitude towards public money? The question is of the attitude of the management, besides the wasteful expenditure. Shri Mohan Singh is right in saying that even the private sector is dependent on Government financial institutions. This is a strange situation. I do not have time to go into the details but if there is professional management there is no reason for losses in the generation of power. We are giving opportunity to the private sector on the ground that they would not only bring capital but also professional management in the industry. I would like to say that we should go a step further. If we want set up new industries we should encourage these industrialists to set up captive plants for power generation and give them relief in that.

Solution to power crisis is very essential. If there is no electricity there will be no agriculture, no industry and the cities would be plunged in darkness and incidence of crimes would increase. I had gone to Manali some time back. Everyday when there was maximum rush in the markets the power went off. The shopkeepers used to literally weep. I had gone to the Somnath temple also. There the people told me that when it is time for *Aarjit* (Evening prayer) the power goes off.

SHRI SAIFUDDIN CHAUDHARY (Katwa): It seems there is a conspiracy behind it.

SHRI ATAL BIHARI VAJPAYEE: No, I am not saying that.

SHRI SYED SHAHABUDDIN: I may add that power goes off during *Iftar* and *Sahri* in Srinagar, Kashmir.

SHRI RAM NAIK (Bombay North): This point has become a good meeting ground for all the cultures.

SHRI ATAL BIHARI VAJPAYEE: I would like to appeal to Shri Kalp Nath Rai to help the Uttar Pradesh Government in overcoming the power crisis in the State. This impression should not gain ground that U.P. Government will have to face some difficulty because Congress is in power at the Centre and BJP is in Uttar Pradesh. I know that Shri Kalpnath Rai is seized of the matter but unless concrete steps are taken in this direction it will not serve any purpose. We are supporting your bill. Please help our Government..

[English]

SHRI RAM NAIK : Sir, I would try to be every brief. I welcome the handing over of electricity generation to private organisations. At the same time, I would like to ask a question as to whether this should be applied at this stage to supply of electricity also.

If there are more agencies for supplying it, it is likely to create more problems and probably you will be required to spend more capital amount. I come from a city - Mumbai - where there are four supply agencies working. First, there is BEST, Bombay Electricity Supply Transport Company, owned by the Mumbai Mahangar Palika which supply electricity. Secondly, for suburbs, there is a private organisation called Bombay Suburban Electricity Supply Company. Thirdly, we have Tata which supply electricity to so many big factories and lastly there is the Maharashtra Electricity Board, supplying electricity to some of the suburbs. So, in one city, there are four agencies supplying electricity. BEST is very efficient in Bombay; but electricity supply is being done by four companies at four different rates. There is no uniform rate for domestic electricity consumption. So, if they are working efficiently and properly, there is no reason why they should not be given supply work also, I would also suggest uniformity in the supply.

There can be economies in power generation; but in supply, there is not much scope for economy. This is the point which I wanted to make.

You want a reasonable return and earlier it was 2 per cent over the bank interest. Now, you want to make it to five per cent. In this Act, there is also one Clause which says that those consumers and particularly domestic consumers, who give deposits to the companies, earn interests on that. I do not know as to what is the rate of interest in Delhi or in Calcutta; but in my City, it is six per cent. The six per cent rate of interest, which is being paid for the deposit and which every customer is required to pay to the companies, is just going on for the last 20 years. The Reserve Bank rate at that time was six per cent. Now it has increased so much. But the Minister here has not taken cognisance of the consumers' requirements also. So, I would urge that he should also try to amend the clause so that a customer must also get more interest on his deposits. Otherwise, it is as good as free deposits to those bit companies. I personally feel that consumers' interests should also be protected by the Government. You should bring forward a fresh amendment to this Bill for increasing the rate of interest which is payable to the consumers.

The other point is that there should be a uniform domestic tariff, as far as possible, all over the country. Now the rate in my city is double the rate of Delhi for domestic electricity. At some places, it is still more. For kerosene and LPG, we try to have a uniform rate. So, one should consider at least so far as domestic consumers are concerned whether a uniform rate which is affordable rate, can be given to the domestic consumers whatever industrial profits and other profits.

[*Translation*]

(*interruptions*)

No I am not suggesting to raise the price but to bring it down.

[*English*]

That is why uniform rate should be applicable to the domestic consumers.

Now I come to the last point which is not being followed by the Government. According to the Electricity Act, there is a reasonable return. If any company earns more than the reasonable return, 50 per cent of that is expected to be refunded to the customers. That is not being done. The accounts are not audited from that angle. You will be surprised to know that in Bombay, I had to file a case last year and the Bombay Suburban Electricity Supply Company refunded Rs. 1 crore 30 lakh which they owed to the customers because they earned profit more than the reasonable return. So, I would also suggest that the Government should look at companies which are working in a proper way, from this angle also and ensure that whatever is due to the consumers, should be refunded if their accumulated profits are more. With these words, I thank you for giving me the opportunity.

RAO RAM SINGH (Mohinderagarh): Mr. Chairman, Sir, I want to congratulate Shri Kalpnath Rai for having brought forward such a remarkable Bill in the House. Shri Atalji has rightly pointed out that the State undertakings are not even producing 60 per cent of the installed capacity of power. We have maximum transmission losses in the world. Besides there is theft of electricity also. There are two or three industrial townships in my constituency and they have almost come to a grinding halt because of non-availability of power.

Me. Chairman, Sir, if you allow me, I would like to congratulate Shri Kalp Nath Rai for another thing. He had brought together Shri Syed Shahabuddin and BJP members at least on this issue.

PROF. PREM DHUMAL: After cutting power.

RAO RAM SINGH: they at least shared the same view on this point and spoke in the same vein. Mr. Chairman, sir, if we give him

[Sh. Rao Ram Singh]

the charge of Mandir Masjid dispute, I think he would definitely come out with a solution.

SHRI KALP NATH RAI: Mr. Chairman, Sir, I would like to thank Shrimati Vasundhara Raje at the outset for having supported this Bill and thereby encouraging us to work for economic development and industrial development of the country.

15.31 hrs.

[RAO RAM SINGH *In The Chair*]

My friend, Shri Mohan Singh said that in the Industrial Policy resolution there was no place for the private sector, Ataiji is present here. This has not been brought forward to convert public sector in private sector. You are a learned man. If you say like this how will it go? Yes, if Shri Rameshray had said like this we could have understood.

SHRI ATAL BIHARI VAJPAYEE: Is he not a learned man?....

*(Interruptions)*

SHRI KALP NATH RAI: We are facing shortage to resources. This has been done to mobilise additional resources and we want the private sector to help us overcome the power crisis. You may be aware that when we achieved Independence we were producing 1300 MW of electricity and today we are having 66000 M.W. installed capacity. Mohan Singhji, the party which came to power in 1979 had fixed the target of 22,245 MW but it was Rajiv Gandhi's Government which achieved this target in 1989 after coming to power in 1985. The Party which came to power in 1989 could not even prepare the draft of Eighth Five Year Plan in two years, nor could it prepare the Approach paper to this plan. It could not also approve the plan for power sector. therefore, I want to ask why is the crisis. The entire world is seized of the matter and India cannot keep itself aloof. We want power for implementing the Industrial policy, we want power for improving agriculture, for factories, for industries

and for providing more opportunities of employment. Nothing can be done without electricity. I would like to assure Shrimati Vasundhara Raje that the government would give priority to the scheme in Jhalawad.

SHRIMATI VASUNDHARA RAJE: Many, many thanks.

SHRI KALP NATH RAI: Shri Panigrahi mentioned about Talcher power project I would like to say that the demand of power is fast increasing. I would like to tell Shri Khuranaji that in 1985 the demand of Delhi was 700 MWs. Today the demand is increasing at the rate of 18 per cent per annum and it has already touched 1500 MWs. Within five years the demand has doubled. In every village, city or wherever you go, there is demand for more electricity. All the Members of Parliament may be aware that demand for electricity is on the top. Mohanji, may I tell you where power crisis is most critical in the country. The highest installed capacity of electricity is in Bihar viz., 1300 MWs but only 200MWs are being utilised. Who is responsible for this - I or the Bihar government tell me? I would like to tell you that maximum transmission licences are in Bihar. So today....*(Interruptions)* I am worried about Bihar State. I have sanctioned the biggest Koel Karo project of Bihar which would involve an expenditure of Rs. 1338 crore and its capacity will be 710 M.W. I have nothing hostile against the people of Bihar.

Shri Ataiji has raised one point about Uttar Pradesh. The Chief Minister of that State is doing all his best about the development of the State. Hardly any such day passes when he does not give me a ring about his state. I promise you that just yesterday I have given an amount of Rs. 25 crore for electrification of Uttar Pradesh and I have also said that when this amount is spent, another installment of the same amount would be given. And when that money is also spent, Rs. 25 crore would be given again. But I want that this money should be spent on it. *(Interruptions)* Please listen, during the previous government of Uttar Pradesh, the Government of Japan provided an amount of Rs.100 crore for the

construction of the project. The Central Government did send the money to us, and that money was diverted when it was spent in Anpara. What can we do under such circumstances. The Central Government is helpless. All these things were done prior to Shri Kalyan Singh took over. Regarding the present Government in the State, I may say that Shri Atal Ji is just like a "Guru" to all of us and if he says anything to remove the backwardness of Uttar Pradesh, that is to be done, we can't afford to desist and he would not spare me. I am not a person to oppose such move from Bihar or Uttar Pradesh, believing that it is not the Government of my party. The hydroelectric plan for Bihar, which has been sanctioned is the biggest in India in its history of 44 years, was started with so much of efforts. It is of 710 M.W. capacity and its estimated cost is to the tune of Rs. 1338 crore. Why do you suspect my intentions? You should not think like that. Moreover this Bill has not been brought to convert any public sector into private sector.

[*English*]

"Public Sector will occupy the commanding highest. The public sector and the private sector will work complementary and supplementary to each other".

[*Translations*]

Such is the case there. We have brought this Bill to increase the resources.

Hon. Chairman, Sir, our able Marxist, socialist leader, Shri Joyti Basu and his Government also supported this move in the conference of Power Ministry. The policy framed by our Government in 1990 was accepted by the Government of Shri Vishwanath Pratap Singh in the conference of Power Ministers. Our policy was accepted in the Chief Minister's Conference held in February, 1991 under the Chairmanship of Shri Chandra Shekhar. Very recently, on 6th September this year a conference of Power Minister was held. All the people agreed to the policy and all the State Electricity Boards have received applica-

tions for 10 thousand MW power generation. We have received applications for the generation of 5500 M.W. electricity. Unless this law is made, we cannot allow anything for power generation. Power, no doubt, will be generated. There will be the control of State in the works which come under State sector and the control of the Centre on the works which come under Centre. We will purchase power from those power generation companies also, because they will give the power to somebody.

(*Interruptions*)

When Tatas and Birlas are producing, they don't consume it themselves. they don't use it to construct their own houses. Iron produced by them is not used for the construction of their own houses. Instead, it is used for public consumption.

Similarly, the power generated in the public sector and private sector... (*Interruptions*) would be utilised for mass consumption to fulfill the requirements of the country. Therefore, I would say that our friends and colleagues, socialists and semi-socialists colleagues and the people who have ability to appreciate the changing world should all support this Bill and extend their best wishes so that we can give a practical shape to this Bill keeping in view the history of our independence struggle and its values. With these words, I conclude my speech.

[*English*]

SHRI SOMNATH CHATTERJEE: (Bolpur): May I have a clarification? How much investment are you expecting from private concerns? What type of private investment are you expecting in the public sector in the next two years? What is your information?

SHRI KALP NATH RAI: Applications for 19,000 M.W. units are pending with the state Governments.

And applications of 5,500 MW are pending with Central government. You know in

[Sh. Kalp Nath Rai]

Bengal the Budge Project is coming and your Chief Minister has recommended it. *(Interruptions)*

SHRISOMNATHCHATTERJEE: I only wanted information. I am not opposing it. *(Interruptions)*

SHRI KALP NATH RAI: Whenever I listened to Shri Nirmal Kanta Chattarjee, he always talked about white money or black money, I am asking you one question. All the Members of Parliament, who have been elected, are they elected within the limit of Rs. 1 lakh? *(Interruptions)*

[Translation]

SHRI ATALBIHARI VAJPAYEE: Please ask a question which puts us to trouble.

*(Interruptions)*

[English]

SHRI KALP NATH RAI: One day, while speaking in the House, Shri George Fernandes said, "Why this Bill has been brought? A provision is there that a man should be elected by spending Rs. 1 lakh."

SHRI SOMNATH CHATTERJEE: He should spend Rs. 1 lakh from his private/ personal source. What about his party's contribution? What are you talking?

SHRI KALP NATH RAI: No. 2 money is used by all the political parties. Don't forget it. *(Interruptions)*

SHRI SOMNATH CHATTERJEE: Speak for yourself. I asked you a very important question.

SHRI KALP NATH RAI: then I salute you that you are the only man who has been elected within Rs. 1 lakh. *(Interruptions)*

SHRI SOMNATH CHATTERJEE: I ac-

cept your salute. *(Interruptions)* We know about the power shortage; everybody knows about it. I really wanted to know what is the expectation of the Central government as to investment by the private sector in the power generation so that we can know how much more power can have in this country? That is what I wanted to know. Kindly answer that. *(Interruptions)*

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): with the permission of the Chairman, Mr. Somnath Chatterjee may kindly note the answer that was given by Mr. Kalp Nath Rai to the effect that applications over 19,000 MW are pending with the State Government and applications of 5,500 MW are pending the Central Government. He also added that approximately you can put one crore per MW as evaluation. If really these people have come forward with so many applications, that means they expect that they would be able to arrange that much of resource.

SHRI SOMNATH CHATTERJEE: Of their own or out of public financial institutions? How much money will the public financial institutions provide to them?

SHRI RANGARAJAN KUMARAMANGALAM: The equity ratio will be maintained.

MR. CHAIRMAN: Now the House shall come to amendments to the Motion for consideration.

MR. CHAIRMAN: Shri Bhagwan Shankar Rawat, are you pressing your amendment or are you withdrawing it?

[Translation]

SHRI BHAGWAN SHANKAR RAWAT: Mr. Chairman, Sir, I would like to submit.....

[*English*]

MR. CHAIRMAN: Are you pressing your amendment or are you withdrawing it ?

[*Translation*]

SHRI BHAGWAN SHANKAR RAWAT: Please allow me to explain first. First of all I would like to congratulate the Minister of Energy that he has taken right steps in this field. Entire country is facing the acute power shortage, but there are certain things which I was expecting from him, and I would like to draw the attention of the hon. Minister to those points. The hon. Minister could not mention all the good points, therefore, I would say that there should be a fundamental change in the entire system. First, why should the transmission losses occur at all? I would like to say about Uttar Pradesh. Only 29 per cent electricity is generated there and 80 per cent electricity is provided by N.T.P.C. The power stations required to be set up after independence have not been set up. With the result UP depends on others for the electric supply.

MR. CHAIRMAN: Please restrict your speech to your amendment only.

SHRI BHAGWAN SHANKAR RAWAT: I am speaking about the amendment. Mr. Chairman, Sir, heavy transmission losses occur, 30 per cent losses of transmission are too much. Therefore, I would like to submit that there is voltage fluctuation because of transmission losses which causes failure in power supply. Therefore, I would like to suggest that the projects based on gas may be started.

MR. CHAIRMAN: Hon. Member, please speak on the amendment.

SHRI BHAGWAN SHANKAR RAWAT: Mr. Chairman, Sir, I had tabled my first amendment only because that even the amended Act not meet the public need. So I wanted that the public opinion may be mobilised. Since, a good announcement has been made, I would conclude after

adding a few words. Power Houses based on gas should be set up in every circle center of U.P. The smaller the power houses, the lower the losses. Hon. Minister may give due attention to the rural electrification which has been neglected and funds provided for the same.

Coal is being provided to the power houses of Uttar Pradesh. The quality of the coal is also not good. Lastly, I would like to say that the funds may be provided to UP Electricity Board which have not been provided so far. One former Chief Minister committed a mistake in connection with the Aanpara project which resulted in a loss of Rs. 100 crore and for that the U.P. Government is being made to suffer. The Planning Commission cleared an amount of Rs. 700 crore. Is the Government going to release that amount of Rs. 700 crore?

SHRI KALP NATH RAI: The Central Government is providing all the funds.

SHRI BHAGWAN SHANKAR RAWAT: I would like to thank you once again for your statement on behalf of the people of Uttar Pradesh. All the same, I expect from you to make an announcement of power houses based on gas for which you will have three cheers from me. I am withdrawing my amendment.

[*English*]

MR. CHAIRMAN: This is not the place to mention all these. You are striking a *quid pro quo*.

[*Translation*]

SHRI KALP NATH RAI: Sir, if he can get the gas sanctioned from the Petroleum Ministry, we will sanction a gas-based project.

[*English*]

MR. CHAIRMAN: Is it the pleasure of the House that the amendment moved by Shri Bhagwan Shankar Rawat be withdrawn?

SOME HON. MEMBERS: Yes.

[*Translation*]

SHRI MOHAN SINGH: Sir, I am delighted by the speech of the hon. Minister of Power who has left nothing for the private sector. The public sector is so strong and funds are being given so liberally to it that there seems to be no need of the private sector. I am not withdrawing my amendment.

[*English*]

MR. CHAIRMAN: I shall now put Amendment No. 4 to the Motion for Consideration moved by Shri Mohan Singh to the vote of the House.

*Amendment No.4 was put and negatived*

MR. CHAIRMAN: The question is:

"That the Bill further to amend the Indian Electricity Act, 1910 and the Electricity (Supply) Act, 1948, be taken into consideration."

*The motion was adopted*

MR. CHAIRMAN: We shall now take up Clause by Clause consideration of the Bill. There is an amendment no.5 for Clause 2 by Shri Girdharilal Bhargava. Shri Girdharilal Bhargava, are you moving?

[*Translation*]

SHRI GIRDHARI LA BHARGAVA. (Jaipur): I am not moving my amendment.

[*English*]

MR. CHAIRMAN: The question is:

"That Clause 2 stand part of the Bill."

*The motion was adopted*

*Clause 2 was added to the Bill*

MR. CHAIRMAN: There are amendment nos. 6 and 7 for Clause 3 by Shri

Girdharilal Bhargava, Shri Girdhari Lal Bhargava are you moving?

[*Translation*]

SHRI GIRDHARILAL BHARGAVA (Jaipur): I am not moving my amendment.

[*English*]

MR. CHAIRMAN: The question is:

"That Clause 3 stand part of the Bill."

*The motion was adopted*

*Clause 3 was added to the Bill*

MR. CHAIRMAN: There are no amendments for Clause nos. 4 and 5.

The question is:

"That Clauses 4 and 5 stand part of the Bill."

*The motion was adopted*

*Clauses 4 and 5 were added to the Bill*

MR. CHAIRMAN: There is an amendment no. 8 for Clause 6 by Shri Girdharilal Bhargava. Shri Girdharilal Bhargava, are you moving?

[*Translation*]

SHRI GIRDHARI LAL BHARGAVA: I am not moving my amendment.

[*English*]

MR. CHAIRMAN: The question is:

"That Clause 6 stand part of the Bill."

*The motion was adopted*

*Clause 6 was added to the Bill*

MR. CHAIRMAN: There are no amendments for Clause nos. 7 to 10.

The question is:

"That the Bill be passed."

"That Clauses 7 to 10 stand part of the Bill."

MR. CHAIRMAN: Motion moved.

*The motion was adopted*

"That the Bill be passed."

*Clauses 7 to 10 were added to the Bill*

MR. CHAIRMAN: Dr. Asim Bala.

MR. CHAIRMAN: There is an amendment no. 9 by Shri Girdharilal Bhargava for Clause no. 11. Shri Bhargava, are you moving?

DR. ASIM BALA(Nabadwip): Sir, I am opposing this Bill as privatisation is very much harmful to the general consumers. As you are aware, at present the demand of electricity is so high and the production of the Government of India, that is, NTPC and others, cannot cope up with the demand.

[*Translation*]

SHRI GIRDHARI LAL BHARGAVA: I am not moving my amendment.

Sir, I cannot understand as to why we are giving the important sector electricity, to the private sector it is the Minister's liking but the people will not like it because the private sector always tries to make profit and impose some taxes every time, which would harm the common people, especially the low income group. The West Bengal Government have already proposed to the Central Government some of the projects, especially Hydro Electric. Projects. Some Japanese technology experts came to India and they studied the project. I want to know from the hon. Minister about the fate of the proposals in respect of Sagar Dighe Project, Bajabaj and Balagar Project.

[*English*]

MR. CHAIRMAN: The question is:

"That Clause 11 stand part of the Bill."

*The motion was adopted*

*Clause 11 was added to the Bill*

MR. CHAIRMAN: There are no amendments for Clauses 12 to 14.

The question is:

MR. CHAIRMAN: What has it got to do with this Bill?

"That Clauses 12 to 14 stand part of the Bill."

*The motion was adopted*

*Clauses 12 to 14 were added to the Bill*

DR. ASIM BALA: I also request the hon. Minister that the DVC supply is so low, and they should try to improve the supply of electricity. With these words, I request the hon. Minister to consider the above proposals. I oppose the Bill.

MR. CHAIRMAN: The question is:

"That clause 1, the Enacting Formula and the long Title stand part of the Bill."

*The motion was adopted*

*Clause 1, the Enacting Formula and the Long Title were added to the Bill*

MR. CHAIRMAN: On the third reading hon. Members, I would request you to limit yourself to only the merits of the Bill, why it cannot be passed and why it can be passed. I would request you to not to go into the details which have already been discussed in the first hearing.

SHRI KALP NATH RAI: Sir, I beg to move:

SHRI MADAN LAL KHURANA (South Delhi): Sir, our leader, Shri Vajpayee has supported this in principle. From the very beginning we have been saying that we would not get entangled in any controversy. The actual situation proves that the consumer stands to benefit from competition. I suggest that electricity be generated in the Government sector and distributed by the private sector. It is because the Government has limited resources. That is why the Jana Sangh Government had introduced the private but service in the D.T.U. Some special circumstances are prevalent in Delhi. The increased birth rate and the migration of people from other States to Delhi had led to growth in population. This has also led to an increase in consumption of electricity. At present the slum colonies of Delhi are not getting electricity. I suggest that Delhi should have its own power generation unit so that the city becomes self reliant.

[*English*]

MR. CHAIRMAN: You are going beyond that scope. You should have spoken on the first hearing.

[*Translation*]

SHRI MADAN LAL KHURANA: Please give me some time as I have not spoken about Delhi. The metropolitan council is also not in office here. The proposal for a power generation unit for Delhi should be approved.

16.00 hrs.

When privatisation is being done, will the D.E.S.U. allow the private sector industries to instal their own captive power plants? The private sector wants to assist the Government but the latter on its part lays down umpteen terms and conditions which make it difficult for the former to function. The Government should help the private sector. I would like to request that permission be given to industries which want to instal their own captive power plants. In fact, the Government should extend some financial assistance to them to do so.

Thirdly, the slum areas of Delhi should also get electricity. I request that such areas be given at least a single point connection.

[*English*]

SHRISRIKANTA JENA (Cuttack): Hon. Minister, I was only thinking that when this privatisation in coal field will come because the coal is the main raw material for electricity generation, I do not know whether the next attempt will be to denationalise the coal and in the process of denationalisation everything will be denationalised. We are just reversing the whole thing and the power generation and power distribution is the vital sector for the State and it should not be handed....

MR. CHAIRMAN: Hon. Members, let me read out the rules, at the third reading. "That discussion on a motion that the Bill or the Bill as amended, as the case may be, passed shall be confined to the submission of arguments either in support of the Bill or for the rejection of the Bill. In making his speech a member shall not refer to the details of the Bill further than is necessary for the purpose of arguments which shall be of a general character". "Otherwise, there will be no end of the discussion. The Minister has already given his reply. Then, the Minister will make another reply and there will be another thing. So, I request you not to go into the details at the third reading, not to bring up extraneous matters and confine yourself as to why you think that the Bill should be passed and why you think that the Bill should not be passed.

(*Interruptions*)

SHRISRIKANTA JENA: Sir, I fully agree with your observations. I am mentioning exactly why I oppose this Bill.

(*Interruptions*)

Naturally because for the first time I am hearing in this Tenth Lok Sabha the Congress Party is taking a peculiar stand, and the peculiar stand is the stand taken by the

BJP and the stand of Congress (I) is almost the same.

*(Interruptions)*

I tell you because of the political planning....*(Interruptions)*

MR. CHAIRMAN: Even Shri Shahabuddin supported it.

*(Interruptions)*

SHRI SRIKANTA JENA: He is not supporting. He has supported with reservations. I can understand the captive generation to enable...*(Interruptions)* let me tell the hon. Minister that the speciality of power generation is thermal power generation. Bihar and Orissa have the highest coal deposit in the country. Orissa is having 20 per cent of the Gandwara coal. Orissa and Bihar are supplying maximum coal to the power generation. But, unfortunately, in Bihar and in Orissa, you won't find any super thermal power station and because of this faulty planning, the power generation and the thermal power corporation is making a huge loss.

MR. CHAIRMAN: I think because this is the last day, therefore, you are on a holiday mood Mr. Jena.

*(Interruptions)*

SHRI SRIKANTA JENA: You are allowing private sector and you have received so many applications. May I know from the hon. Minister at this present stage are you going to give direction that wherever the coal is available you must go to that area.*(Interruptions)* All the pitheads. If so, what is the pitheads? Or else coal will be transferred from Orissa State to Madras. So, that is my point. And because of the faulty planning, we are in a mess today. I hope the Minister will clarify this position that wherever the coal is there, the super thermal power plant should also be there. Then only we can streamline the whole of power. Otherwise, we are going to lend ourselves in a big mess.

SHRI E. AHAMED (Manjeri): Sir, this is one of the steps in the right direction and also, I would say, a great step forward in the matter of solving the electricity problem of this country. Many people may have many ideas but I submit that those ideas are all quite impractical.

Kerala is one of the States which has been generating electricity at the cheapest rate and also supplying electricity to the consumers as well as industrialists comparatively at a cheaper rate. But our position is that many of our industrial ventures have been kept in abeyance due to shortage of electricity. Even in the entire Malabar Coast, we could not undertake even one single industry because of the shortage of electricity. The Government have lot of principles but they have no purse. Paucity of funds stood in the way of taking up various projects. So, this is a right signal even to our NRIs to come over here and take up the projects in the private sector. I also venture to say that the Government should also make all endeavour to see that the State Electricity Boards shall not stand in the way of taking up any such project in the private sector.

I am given to understand that some of the bureaucrats in some of the Electricity Boards—of course, in my State also have a fantastic idea that condition should be imposed on those Non-Resident Indians or private parties who are to take up such electricity projects whereby they will not be allowed to do the supply also.

One idea was the generation by the public sector industrialists and to supply through Electricity Board. It is an undisputed fact that many of our Electricity Boards have now become white elephants. They are not even able to meet their own requirements. So, the generation as well as supply should definitely be given in the hands of the private sector.

*(Interruptions)*

Therefore, I hope the Government will also make all the efforts to see that the

[Sh. E. Ahamed]

private sector is given all the encouragement so as to solve the problem of electricity in the country.

SHRI BHOGENDRA JHA (Madhubani): Sir, we are going to take an important decision. Units are registering losses and their full capacity is not being utilized. So, let the public assets go to the private sector. Let the private sector exploit the society.

Sir, a deficit Budget is presented every year. I hope the solution to this would not be that the reins of the country be taken away from the Government and handed over to a capitalists. We are moving towards that dangerous situation.

[English]

MR. CHAIRMAN: I will request the hon. Members not to stand in the House with their back towards the Chair.

[Translation]

SHRI BHOGENDRA JHA: Sir, power is a sector in itself. It is the backbone of industry. Because of the failure of the private sector, the Government had to intervene in this sector. For the benefit of society, the Government had to initiate programmes for the generation of electricity. If the B.H.E.L. units had not been set up in Bhopal and Haridwar, we would not have been able to produce as much electricity as we are producing now. In view of our failures in the power sector, the Parliament and particularly workers, worker unions and the management of the power sector will have to find out the reasons for it and will have to find out the ways and means to match production with the installed capacity, be it coal-based units or hydro-electric units or solar units. Now, we are heading towards nuclear power generation but I shall go into its details later on.

MR. CHAIRMAN: Please wind up now.

This much time is not given at the third reading.

SHRI BHOGENDRA JHA: I was just winding up. May be he made a promise during elections to give something to the capitalists. Well, he can fulfil his promise as the large solar energy sector is available. There are unlimited opportunities in that sector. But the private sector should not be brought into a sector which is already existing. Private sector cannot compete with the public sector in the same industry.

MR. CHAIRMAN: Mr. Jha, you are a senior Member and while speaking on the Bill it is not proper on your part to make personal aspersions on the hon. Minister. It may have been tolerated at the time of the first reading but now at the time of third reading it is not expected of you. Please wind up.

SHRI BHOGENDRA JHA: I have not made a personal aspersion at any time. All through my career I have never done such a thing and I can never imagine of doing such a thing to Shri Kalp Nath—(Interruptions)—I have said this from the political point of view as it is linked with the country's future. There is no question of making any personal aspersion. The Government should make all out efforts to make public sector power units utilize their full capacity. The House should be taken into confidence and an appeal should be made to treat this as our national duty. I hope the bureaucracy would also co-operate in this matter. The Himalayas are a source of hydel power. The private sector may not dare to set up such big projects. We all know the impediments that came in the way of the Tehri project and the Narmada Valley project.

MR. CHAIRMAN: Please wind up.

SHRI BHOGENDRA JHA: Sir, if such a decision is taken then we will oppose the Bill because such a decision would be against national interest and against the interests of society.

SHRI KALP NATH RAI: Mr. Chairman, Sir, I would request Shri Bhogendra Jha to please listen to me. (*Interruptions*) Through you, I would to request Shri Bhogendra Jha that he should take note of the fact that democracy is taking place of communism. The private sector and public sector are competing with each other to raise the generation of power. It is the intention of the Government to give maximum help to the people and that's the objective of this Bill.

Shri Jena, you are very intelligent and you must be knowing that Super thermal power station of 1800 MW is under construction at Kahalgaon in Bihar and the coal supplies for that station will come from Lalmatia coal mines. You must be knowing that the biggest thermal power plant is under construction at Talcher in Orissa which will have the capacity of 3000 M.W. Talcher coalfields will supply coal for that plant. Therefore, Sir, not speaking much with these words by I request that the Bill be passed.

[*English*]

MR. CHAIRMAN: The question is:

"That the Bill be passed".

*The motion was adopted*

16.15 hrs.

CODE OF CRIMINAL PROCEDURE  
(AMENDMENT) BILL

*As Passed by Rajya Sabha*

[*English*]

MR. CHAIRMAN: Now, we take up the next item, that is, the Code of Criminal Procedure (Amendment) Bill.

THE MINISTER OF STATE IN THE  
MINISTRY OF PARLIAMENTARY AFFAIRS  
AND MINISTER OF STATE IN THE MINIS-  
TRY OF HOME AFFAIRS (SHRI M.M.  
JACOB): Sir, I beg to move:

"That the Bill further to amend the Code of Criminal Procedure, 1973, as passed by

Rajya Sabha, be taken into consideration."

As the hon. Members are aware, section 197 of the Code of Criminal Procedure, 1973 provides for the previous sanction of the Central Government or, as the case may be, the State Government before a court took cognizance of an offense alleged to have been committed by any public servant including a judge, Magistrate and member of the Forces while acting in the discharge of official duty.

With a view to providing more adequate safeguards and protection to public servants employed in connection with the affairs of a State against frivolous or vexatious prosecution for acts done in the discharge of official duty during the period when a Proclamation issued under article 356 of the Constitution was in force in that State, it was considered necessary to provide for the previous sanction of the Central Government instead of the sanction of the State Government.

As the House of the People had been dissolved and the Council of States was not in session and it was considered necessary to make the necessary amendments without delay, the Code of Criminal Procedure (Amendment) Ordinance, 1991 was promulgated by the President on the 2nd day of May, 1991. The Ordinance ceased to operate from the 20th August, 1991 at the expiration of six weeks from the reassembly of Parliament as per the provisions of article 123 of the Constitution.

It has been considered necessary to enact the provisions of the lapsed Ordinance with retrospective effect from the date of its coming into operation, that is, from the 2nd May, 1991.

The proposed legislation will instill a sense of confidence in the minds of the officers who are engaged in the difficult task