

PROF. (SHRIMATI) BHARATI RAY (West Bengal): Sir, I also associate myself with it.

SHRI KHAGEN DAS (Tripura): I also associate myself with this Special Mention.

DR. MANMOHAN SINGH (ASSAM): Sir, I wish to associate myself with the sentiments expressed by the hon. Member. This is a matter of highest priority, and I think, the heavy traffic and other considerations fully justify the consideration of this proposal.

Revival of Cogentrix Power Project in Karnataka

SHRI H.K. JAVARE GOWDA (Karnataka): Sir, Cogentrix is making headlines in the country as a whole. Even after the Five Year Plans were executed, the country was not able to fulfil the needs and demands of electricity of our State. In 1991, after liberalisation of policies, multinationals were allowed in this country. At that time, Cogentrix expressed their interest in the Mangalore Power Project, and that company started functioning. Then, there arose a lot of impediments by way of agitations and public interest litigations. Also, some vested interests started troubling the company from its not functioning here, and they were not allowed to go on with the work. Now, I would like to submit to the Chairman that even after the Public Interest Litigation on environmental point was dismissed, to stop it one way or the other, some vested interests saw to it that a case was filed on the kickback issue. Then, even though the Supreme Court set aside the order of the Karnataka High Court, the Government, at that time, did not pursue it and it did not give the counter-guarantee. Now, there is no reason why the BJP Government headed by Shri Vajpayee gave the clearance for Enron within 13 days of their rule, when it pertained to Maharashtra, but in the case of Karnataka, even after so many months, they have not taken any step to give the counter-guarantee. Sir, I am not going to make allegations against anybody because they may say that the case is pending in the Supreme Court. But, that is not the case. The Supreme Court has now ordered to go ahead with the project. It was only a kickback case which was pending before the Supreme Court. There was no impediment in the way of the Central Government to give the counter-guarantee. Now, the case has been disposed of. The Supreme Court has been pleased to dismiss the kickback case. Now, I urge upon the Central Government that it should not waste a

single day in processing the project, and give the counter-guarantee, and see to it that the needs of Karnataka are fulfilled. Sir, there is shortage of electricity in Karnataka. There is no electricity for farmers; there is no electricity for small scale industries and big industries. Moreover, there is no electricity for the people who are living in the rural areas. I urge upon the Central Government to see to it that it is done immediately. Sir, I have a lot of apprehension as one of the Ministers in the Cabinet of Shri Vajpayeeji, Mrs. Maneka Gandhi is the root cause for this because she has filed three cases. It is reported in the newspapers also. ...*(Interruptions)*...

SHRI M. VENKAIAH NAIDU (Karnataka) : Sir, he has taken the name of Mrs. Maneka Gandhi.

SHRI H.K. JAVARE GOWDA : No, no. I am not making any allegations. It is a fact. Venkaiahji, you also represent our State. I want the progress of my State. What wrong signals are we sending to the whole world through the Cogentrix? That multinational company is now telling to the whole world that India is a country which does not want fast progress; one way or the other, they are taking the matter to court and doing various kinds of delaying tactics. Sir, a multinational company worth billions of dollars wasted seven years without doing any production. The company has come forward to invest in the power sector to produce electricity. The clearance from the CEA, environmental authorities and the land acquisition was over. But, still the vested interests did not allow the project to start. Here I am going to mention the name of Shri S.K. Kanta who was a former Minister in Karnataka, and who is a known supporter of a Member of Parliament who is now a Minister in the Government of Shri Atal Bihari Vajpayee. They had filed a case in the Supreme Court. Now the Supreme Court has given a clean chit, and said that there was no kickback. I don't want to do politics here. Please don't do any politics, whether it is Karnataka or Madhya Pradesh or Delhi. Now the ball is in the Central Government's court. Please don't do any politics in it. Don't delay the Cogentrix project, and give the counter-guarantee immediately.

Sir, the Power Minister has said that they are going to take 100 days in deciding this case. In Laboo Yadav's case, you started action within two days. Why are you taking 100 days in clearing this project? I once again urge upon the Central Government to see to it that this project is cleared immediately.

Sir, my hats off to the Chief Minister, Shri S.M. Krishna who has taken a lot of steps for this project. The United Front Government, under the leadership of Shri H.D. Deve Gowda also took a lot of steps and cleared all the hurdles which were coming in the way of this project.

Sir, the local BJP unit is opposing this project. Why? I request the Central BJP leaders to advise their cadres in the State not to demonstrate against the project, and they should not come in the way of the development of the country. I urge upon the Prime Minister to see to it that it is taken up immediately.

SHRI H. HANUMANTHAPPA (Karnataka) : Mr. Chairman, Sir, Cogentrix is a case, for example, where nowadays... *...(Interruptions)...*

SHRI JANARDHANA POOJARY (Karnataka): Sir, I would also like to say a few words on this.

MR. CHAIRMAN : No, no.

SHRI JANARDHANA POOJARY : Sir, kindly permit me. Manglore is my district. I want to associate myself with it.

MR. CHAIRMAN : Now, it is one o' clock; would the hon. Members like to sit during the lunch to finish the Special Mentions?

SOME HON. MEMBERS : Yes, Sir.

SHRI JANARDHANA POOJARY : Yes, Sir, we will finish this.

MR. CHAIRMAN : No, there are other Special Mentions which are lying for the last two days.

SHRI H. HANUMANTHAPPA : Sir, my Special Mention was to come two-three days ago, and in between so many things have happened. Now I have to change our version. It has come into the limelight now. This is an example of negligence. The executive wakes up only when there is pressure. Now, we have come under pressure from a multinational. pressure. Now, we have come under pressure from a multinational. A multinational company takes a unilateral view, "I am withdrawing from the project", and then the Central Government becomes alert. Even, Sir, the Supreme Court becomes alert when the multinational companies threaten to withdraw from the project. I am sorry to say that.

[16 December, 1999]

RAJYA SABHA

1.00 P.M.

In January, 1999, arguments were heard and the judgment was postponed indefinitely. Only when the multinational company threatens that it is withdrawing, the Supreme Court wakes up. The next day, the judgment comes out. This speaks of a case where courts are getting into unnecessary issues and judicial activism. If any PIL comes up as a special case, it proceeds. Here is a case in the interest of Karnataka and in the interest of power production. Arguments were heard in January. And till the multinational gave the threatening notice, the court also did not wake up. Only the next day the judgment came out ; it dismissed the petition. Who is responsible for the cost overrun? Who is responsible for the delay? Some of these have to be taken note of, that too by the Parliament and the Government of India. Now, of course, much water has flown under. As I told you, when we gave the notice, Cogentrix was somewhere but now, it is in the limelight.

Yesterday, the Power Minister said that PPA, which is being tossed from 1994 to 1999, does not require the approval of the Government of India. Twenty-five meetings have been held. A number of communications have taken place, at the Ministerial level, at the Secretariat level, at the Karnataka Electricity Board level. Now, the hon. Minister says that PPA is not to be approved by the Government of India, it is for the Karnataka Electricity Board and the State Government. After that, they can send the file to the CEA and no approval is necessary. Thanks! At least, the PPA will be given depending upon whatever is agreed to between the Cogentrix and the State Government.

The second point is, the hon. Finance Minister, when I raised a point the other day, said that there was no problem in giving a counter-guarantee.

Thanks, to that an extent. There is one more thing. What is happening is that Cogentrix is insisting on the State Government to agree to the PPA of 1997. We have placed the levers in the hands of the MNC to insist on that. Once, when it announced that it was withdrawing, the Central Government became alert and the Supreme Court became alert. Now we are obliging them by accepting the PPA and we are ready for a counter-guarantee. Now, the Cogentrix has no reason to insist upon the 1997 PPA. The Cogentrix too has to update itself. It should agree with the conditions of the State Government and the Electricity Authority. The Cogentrix is not obliging us

by taking up the project. At the same time, they cannot put unreasonable conditions. It is unreasonable on the part of the Cogentrix to demand that the State Government should accept only the 1997 PPA. This is, again, a warning. The State Government and the Central Government have to be vigilant with regard to MNCs who insist upon their conditions. We have come into their hands. When they threatened, the Central Government became alert and the Supreme Court too became alert. Now, they have put another condition! "If at all you agree, agree within a certain time - before 31st December. And, if you do not agree with our PPA of 1997, we will withdraw." They are still threatening.

Sir, a message should go to the MNCs also, including the Cogentrix that they should not play up their conditions and they have to work in our country on our terms and conditions.

Thank you.

SHRI BRATIN SENGUPTA (West Bengal): Sir, it is a mismanagement by the Government which led to this kind of a situation. As Mr. Hanumanthappa said, the Cogentrix is now in a more bargaining situation than it was earlier. That is why it is in a position to impose the Power Purchase Agreement that is already on. Ultimately, out of this milieu the burden is going to be borne by the people. Apart from all this, the entire episode has sent a very wrong signal to the international community and particularly to the community to whom we are looking forward for investment inside our country. The Government should immediately act upon it and take appropriate lessons from this kind of an episode which has been created out of their mismanagement year after year ultimately the burden of which is to be borne by the people. Thank you.

SHRI M. VENKAIAH NAIDU: Sir, this is not an issue where, in fact, politics should be raised. I am surprised to know that some people are mentioning agitation by the BJP there. Every political party has got a right to agitate in order to highlight certain aspects. How many MOUs have been signed? There was Draft MOU, Final MOU, MOU during Bangarappaji's regime, MOU during Veerappa Moilyji's regime, MOU during Deve Gowdaji's regime ...(Interruptions)... There must be some reason because people are not mad. There must be some reason. There was a reason. Today if somebody says Cogentrix is very great and they have come from heaven and everybody has to bow before them, we are not going to do it.

[16 December, 1999]

RAJYA SABHA

...(Interruptions)... You are saying that they are very great people.
...(Interruptions)... Sir, this is not a banana republic. It is a sovereign country. ...*(Interruptions)*...

SHRI H. HANUMATHAPPA: Sir, he is giving wrong facts concerning the MOUs. ...*(Interruptions)*...

SHRI M. VENKAIAH NAIDU: What I am telling is...*(Interruptions)*...

आप बैठिए न ... (व्यवधान)....

SHRI H. HANUMANTHAPPA: आप ने कहा है, इसलिए कह रहा हूँ ...*(व्यवधान)*...
I am not an advocate of Cogentrix. ...*(Interruptions)*... No.
...*(Interruptions)*...

SHRI M. VENKAIAH NAIDU: You are not an advocate.
...*(Interruptions)*... Why do you worry? ...*(Interruptions)*

SHRI H.K. JAVARE GOWDA: It is like other companies. That is all.

श्री एम. वेंकैया नायडु : सर, मेनका गांधी का नाम आया*(व्यवधान)*... Does she not have a right to protest? ...*(Interruptions)*... You have your own point of view. ...*(Interruptions)*...

Why are you getting agitated?

SHRI H.K. JAVARE GOWDA: If this is your policy, then please go ahead.

SHRI M. VENKAIAH NAIDU: Sir, Shri Janardhana Poojaryji comes from that area. He also knows the reaction and the feelings of the local people. There can be two opinions on this. But, at the same time, attributing motives to the environmental reaction or activities of the various groups which are there in that area is not fair. We have seen that there was opposition to Enron also. Even after so much opposition, there was a detailed discussion. The cost was brought down, the rate has come down and some benefit has come to the people of this country. The same thing should also happen with regard to Cogentrix. They should not put conditions and then withdrawing from the scene as if the Central Government or the State Government should come and say, "Sir, whatever you say we are willing to do it." The message should not be like that. What I want to say is after all we are interested in the development of the country. We want power. Karnataka is in need of power. There is no

question of anybody opposing any project on that account. But, at the same time, the local sentiments of the people, the objections raised by environmental groups, agitations taken up by the people of that area, irrespective of political parties, cannot be simply brushed aside saying that these people are opposing the development and that they are against the development. This approach, according to me, is not a proper approach. Secondly, after all who is responsible for this delay? You cannot accuse the Government of India or even the Government of Karnataka for that matter. Earlier the JD Government was there and now the Congress Government is there. The Chief Minister is interested, the Power Minister of the Government of India is equally interested. The matter has gone to the court. There was a serious allegation made and the court had given a direction to order a CBI inquiry into the shady deal. How can anybody close his ears and eyes and say, "No, no, Congentrix, please come."? You cannot say it. I have only a suggestion to make in this regard. After all the decks have been cleared by the Supreme Court with regard to this issue. I do not want to make any comment on the functioning of the Supreme Court or the conduct of the Supreme Court. I do not want to go to that extent. It is an issue in which everybody concerned should realise and understand what the implications are and what the interests of the nation are as such. That message is very clear and, I think, everybody concerned with it will take note of the same that delays will finally cause harm to the common man of the country. It is understandable. At the same time, now, both the Government of India and the Government of Karnataka, have to see to it that there is transparency and there is mutual benefit. After all, they are not coming here to do any social service or any missionary activity. They are coming here to do some business. We are also allowing them to come here because we also need some investment, technical expertise and infrastructure and it is mutually beneficial. That should be the approach. The entire approach of the people, who have been opposing it, is on two counts. The first one is: Environmental aspect and the reaction of the local people. The second one is: Transparency and protection of the interests of the people of Karnataka. After all, finally, they have to pay for the power that is going to be supplied to them. Things such as cost aspect and the rate aspect have also to be discussed. Shri Hanumanthappa has rightly said that there is no question of bending down before them and whatever conditions they put, we are not going to accept them. We should not accept them. But, at the same time, unnecessary bureaucratic delays or

unnecessary false prestige should not come in the way of sorting out this issue. So, there should be a realistic approach. The Chief Minister of Karnataka has said that he will take a realistic approach and even the Minister of Power, Government of India, has said that he would be taking a realistic approach. Both these Governments should come together and see to it that these objections, which have been raised by environmental groups, are also addressed on this. You cannot simply brush aside those things. We know how the things are going on Narmada issue. You all know how much agitation is going on. Can anybody attribute any motives to that? There are reactions even in other areas also. Sir, even to construct a small tank in our village, the people, whose lands are getting submerged, are reacting in a different manner and the people who are going to get benefited are reacting in a different manner. It is a big project which is going to affect the coastal area of Karnataka, particularly, Western Karnataka. People were agitated there. That aspect also has to be taken into account. This Cogentrix issue has to be seen from all these angles.

Finally, the most important thing is, what is the cost that is going to be borne by the end-consumer is more important. If it is going to be on the higher side, we should negotiate and we should see to it that people are benefited. The Indian Parliament, or, we, the political parties, are representing the people's interests here. So, my approach to this issue is, this is not a political issue. There is no political party - Janata Dal or Congress or BJP - involved in this. It is a national issue. So, let us approach the issue in that manner and see to it that the issue is sorted out, without hurting the prestige of the nation. I can tell you, whoever may be responsible, the way in which things had happened, has sent a wrong message. Earlier, there was no transparency. So, there was a reaction. A PIL was filed in the High Court of Karnataka. The Supreme Court can strike down the order of the High Court. But, as long as the order of the High Court is in vogue, nobody can find fault with the order of the High Court. The High Court went to the extent of saying that there were some 'kickbacks.' I don't know what exactly the word used by the High Court was. But, amounted to 'kickbacks.' How much was there in the power purchase agreement and how much was there in the MoU are aspects which have to be taken into consideration. Naturally, we share the anxiety of the Members when they raise the issue. But, at the same time, we urge upon the Government of India and the Government of Karnataka to see that

the environmental aspect, the cost aspect and the mutually-beneficial aspect should also be taken into consideration, without compromising the national interest. One should really see to it that this problem is resolved to mutual benefit. Thank you.

SHRI JANARDHANA POOJARY: Sir, it is true that a lot of time has been taken for clearing this project. We have been raising this issue inside and outside Parliament. The views, which have been expressed by Mr. Javare Gowda, Shri Hanumanthappa and also Mr. Venkaiah Naidu, are true. At the same time, what the policy of the Government of India regarding these projects, which will come under the core sector, is? We have been shouting from the roof top, "Whenever the projects are being taken up, in the interest of the nation, they will be cleared without any delay." It has also been stated to the entire world that there will not be any hanky-panky or any corruption, no kickbacks, any commission, etc., to any person. They can come, they can take up the projects, and there would not be any hurdles. This is the message we have given to the entire world. We are expecting it, not in the coca cola sector, not in the tooth-paste sector, but in the core sector where it is absolutely necessary so far as investment from foreign countries is concerned.

It is absolutely necessary that the entire nation should cooperate in the development of the nation. You know, after independence, when Shri Jawaharlal Nehru became the Prime Minister, we had the Bokaro Steel Plant. We got foreign investment also. We had declared that our economy would be a mixed economy. Now, so far as this project is concerned, nine years have lapsed. They had come up with some proposals. Those proposals were considered. Now, in 1999, according to them, this would be the cost of the project, and this would be the cost that would be borne by the people of Karnataka or the nation. It is going to the national grid. Now, the point is, we should be reasonable to each proposal when they come up with the project, with a cost, in 1999. It had been decided at the time of the proposal as to what would the cost of the project after 1999. It had been taken into account that a 10 to 12 per cent rate of inflation could be added to it. Now, they say that this will be their difficulty after the decision of the Supreme Court. We have taken into consideration that aspect also. Sir, Hanumanthappaji has said it very clearly that there was an undue delay in giving the judgement. Why was the judgement delayed for such a long time, that is, nine months? This aspect should also be looked

into. There were some agitations. We did not come in the way of agitations also. We have to look into that aspect also. We should compliment the State Chief Minister, irrespective of the fact as to whichever party he belongs to. We should congratulate Mr. Kumaramangalam also, when he says that it will be expedited. That should be the spirit. After the judgement, the Chief Minister of Karnataka immediately started activating it. He started expediting the procedure. He called them and had a discussion with them. I am very happy that the Chief Minister has taken an initiative. That should be the spirit. You, as a Central Government, should also call them and find out as to what is their difficulty. I am submitting all this because there is shortage of power. You know, Sir, what is happening to industries, whether it is a small industry, or it is a big industry. Some industries are being closed. Our workers are becoming unemployed. Even in small-scale industries, they are being thrown out of their jobs.

Now, take the case of villages. In our district, there has been no water, no power supply for coconut plants, arecanut plants and paddy fields. Accidents are taking place in the villages. When they are taken to the operation-table, there is no power. What will happen to them? They do not have generators.

What is the future of students, particularly in villages? When they study, there is no power supply. There is no power supply during their examinations also. So, I would like to request the Government to look into this matter immediately, and not to make it a political issue. What Mr. Venkaiah Naidu said, should be spirit. So, I would like to request the hon. Members that they should--cutting across the party lines--urge upon the Government to kindly look into this matter. Not only that; I was told by the Chief Justice of Karnataka High Court that whenever public interest litigation comes before the High Court, the decision will be taken immediately. Sir, the decisions are expedited and accelerated. The Government can approach the Supreme Court also for the same. The Supreme Court should be told that when such matters come before the Supreme Court, it should expedite the decision. Only if we move with this speed, the projects could be cleared and development activities could be increased. Our credibility in the international market, "that we mean business", will remain.