

[Shri N. Giri Prasad] cleared by the Government, were given many other concessions. They are inflating the cost of construction. This type of overcapitalisation in this sector will drain a large amount of dollars from our country. So, instead of helping the country in having additional new capacities in power generation, it will cause a lot of harm to the Industrial sector, if this type of policy is followed, the cost of power will go up very high and it will lead to inflationary pressures on the economy.

We are talking about promoting exports. This will add to the cost of exports also. Our export commodities will become less competitive in the world market. So it will have an adverse chain reaction on the whole system. If the Government assures such companies a guaranteed return of 16 per cent on their investment, naturally, there will be more companies which would be interested in investing in India and will start demanding the same concession. Other foreign companies will also start pressing the Government to extend the same concession to their companies also. Naturally, if this situation continues, it will not be in consonance with the national interests. Of course, our country is facing a severe power shortage. By the end of the 8th Five Year Plan, we have to achieve a target of 35,000 MW of additional power generation. This will require crores of rupees and we may not be able to raise this amount. But there could be other ways which the Government must explore before adopting such negative policies. They should have consulted experts in this field. We could utilise non-conventional sources of energy like wind, sun etc., or even launch small hydro schemes and many other such schemes. The Government has the capacity to improve the plant load factor. Even if we can improve the load factor by 1 per cent, it will save us a lot of money. It will generate money without calling for new investments. There are more than 101 ways of doing it. Instead of examining all these things, the Government has yielded to foreign pressures in the name of promoting the power sector. I think the Government should come out with a statement. I was told that there was an explanation given by the Government which consisted of more than 20 pages. This so-called

new scheme, the Government should submit it to the Parliament and Parliament should have an opportunity to discuss it; otherwise, the country will have to face serious problems. These kind of national policies should be given up by the Government; otherwise, people will face a lot of serious problems in terms of development and the country's interests will also be affected. Thank you.

**Procurement of quota of cotton yarn by  
India which is likely to be surrendered by  
Pakistan and China**

SHRI SANJAY DALMIA (Uttar Pradesh): Sir, I would like to make a suggestion. As you know, there is a quota for cotton yarn exports from India to the EC countries and the USA. It is a very unfair system where our exports are subjected to a quota system by the USA and the EC countries. On the one hand they have imposed this quota system on us and on the other hand they want to have free access for their goods. What I am trying to say is that today we have a situation where because of shortage of cotton in Pakistan and China, all exports from these two countries have been banned for the time being. I think India has an opportunity to get its quota increased in lieu of Pakistan and China's quota which is going to lapse. We need to take urgent action because by October, 1994, new cotton will start coming in and the ban which Pakistan and China have imposed on the export of cotton will be lifted. The Government should initiate some action immediately and make use of these 6 or 8 months available to us to get the quota for cotton yarn increased. What I am trying to say...*(Interruptions)*...

SHRI CHATURANAN MISHRA (Bihar): What about the Railway Budget?

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Mr. Dalmia, you may continue. Now there may be a question that since there is shortage of cotton yarn in India, how we can increase the exports. What I mean to say is,— we know that there is a price difference between the cotton yarn that you get in the USA and the EEC, that is, the quota countries and the cotton yarn that you get in the non-quota

countries; the price of cotton yam available in the quota countries is much higher than that of the non-quota countries—if we are not able to increase the total exports quantity-wise, we must divert the quotas from the non-quota countries to the quota countries of the EEC and the USA. This will improve India's foreign exchange earnings, I think that this matter should be looked into by the Commerce and the Textile Ministries.

SHRI CHATURANAN MISHRA; Sir, are we getting the Railway Budget today or is this House getting it some other day? This House should not be taken for granted.

THE VICE-CHAIRMAN (SHRI V. NARAYANASAMY): Mr. Chaturanan Mishra, it has been listed at 2.30 p.m. when it will be laid on the Table of the House.

#### **Apprehensions over the setting up of a Thermal Power Station by Multinationals at Neyveli**

SHRI J. S. RAJU (Tamil Nadu); Mr, Vice-Chairman, Sir, I feel it my duty to raise an issue regarding a private sector thermal power station, proposed to be set up at Neyveli in Tamil Nadu, which is under a cloud,

My party, the D.M.K., had expressed its reservations on the policy of privatisation right in the beginning because it thought that this could be misused by the vested interests in collusion with the authorities. And this has turned out to be true in Tamil Nadu,

The Tamil Nadu Government, with the blessings of the Union Ministry of Coal, had permitted the setting up of a thermal power station of 250 MW capacity with a proposed investment of Rs. 1000 crores by two multinationals, namely, the S.T. Power System and the C.M.S. Energy International at Neyveli in Tamil Nadu. Every one feels that more and more power stations should be set up. We have nothing against it. But the manner in which it has been given to the private sector and the reputation of the multinationals who have bagged the project are shrouded in mystery. Already, there are seven thermal power units functioning under the Neyveli Lignite Corporation, which is a public sector

undertaking of the Government of India. These units have been making huge profits over the years. And, during the last 15 years, they earned profits to the extent of Rs. 900 crores. Therefore, when the idea of opening up of the eighth unit of the thermal power station was mooted, the Neyveli Lignite Corporation readily agreed to it and its then Chairman, Mr. Jain, laid the foundation-stone on 12.1.91. This Corporation spent crores of rupees on the project. Now, after 3 years, on 12.2.94, another foundation-stone was laid for the same unit over the previous foundation-stone. The revelations about the project by a Member of Parliament of that constituency during a function held in the presence of the two Union Ministers on 11.2.94 at Neyveli have shocked every one, and the Press in Tamil Nadu is agog with this news. The entire State is tense on account of this. One fails to understand the reason why this power project was snatched away from the Neyveli Lignite Corporation and has been given to the disreputable multinationals. One of the two firms, that is, the S.T. Power System, is owned by one Sarath Tak, who, on 3.1.91, had filed an affidavit before the Special Court under Federal Law in the U.S.A. to the effect that he was insolvent. The cheques given by him to the Chekoya Federal Bank in the U.S.A. had bounced several times. He has also sold out a major percentage of his company shares long ago. The then Chairman of the Tamil Nadu Electricity Board, Mr. Hari Bhaskar, visited the U.S.A. and stayed there between 4th and 8th October, 1993, in a luxury hotel under the patronage of the same person, Sarath Tak. This is how the reputation of the multinationals associated with the project is,

On 12.2.94, the Chief Minister of Tamil Nadu, Ms. Jayalalitha, was to lay the foundation-stone of the project at Neyveli. But since a Member of Parliament made public the sinister designs of the Tamil Nadu Government and of the Multinationals, Ms. Jayalalitha cancelled her visit assigning some flimsy reasons.\* My leader, Dr. Kalaighar has made it clear in the Press that the whole episode smacks of the large-scale bungling by the Government of Tamil Nadu.

Even the Secretary to the Government of India sought clarifications from Mr. Sarath Tak on his status of insolvency and the reply given