

[Shri Satish Agarwal]

have to view things in a national perspective, from the point of view of national service. What should be paid, the manner in which it has to be paid, all these questions have to be studied. And Government appointed the Bhootalingam Study Group. They have submitted their report. After examining that report very carefully, justice will be done to the various sections of the society.

Sir, with these words, I request that the Bill be passed.

SHRI LAKSHMANA MAHA-PATRO: Sir, the report of the Bhootalingam Committee...

THE VICE-CHAIRMAN (SHRI U. K. LAKSHMANA GOWDA): Yes, Bhootalingam Committee's report is there. They have to study it, examine it.

The question is—

"That the Bill be passed."

*The motion was adopted.*

### THE ELECTRICITY (SUPPLY) AMENDMENT BILL, 1978

THE MINISTER OF ENERGY (SHRI P. RAMACHANDRAN): Mr. Vice-Chairman, I move:

"That the Bill further to amend the Electricity (Supply) Act, 1948, as passed by the Lok Sabha, be taken into consideration."

Sir, this Bill seeks to amend the financial provisions of the Electricity (Supply) Act, 1948. The Act which was last amended in 1976, defined the role of the Central Electricity Authority and gave a positive direction in the structure of the Act for separation of generation functions from distribution. This amendment, however, did not make any change in the financial provisions governing the structure of the State Electricity Boards, the norms of the financial working or

the manner in which they were to prepare and furnish their accounts. During the next Plan the public sector will be responsible for utilising 23 per cent of the total public sector outlay and it has programmed to instal an additional capacity of 18,500 MW which would be almost two-thirds of the total installed capacity available today.

State Electricity Boards will be the main agencies for implementing the power development programmes. While we are separately pursuing with the States the matter of greater professionalisation and functional working of the State Electricity Boards to improve their management, the financial working of the State Electricity Boards is largely governed by the structure envisaged in the Electricity Supply Act of 1948. The capital investment by the State Electricity Boards is made available to them today entirely in the form of loans apart from what they are themselves able to generate from their internal resources. The bulk of the loans have been made available by the State Governments. The lending institutions which will continue to finance much of the investments in the next few years, would be anxious to ensure that the State Electricity Boards earn adequate returns and work with a greater degree of financial viability which will strengthen confidence in these institutions for discharging their responsibilities under the Electricity Supply Act of 1948.

State Electricity Boards are autonomous organisations but are subject to policy guidelines from the State Governments. The State Electricity Boards are organised to function in the most efficient and economical manner. There are no positive directions as to how the Boards should accomplish this and the Boards have functioned in the past in an unequal manner depending on the State Governments or the lending institutions to meet their entire requirements from the capital investment. A

Committee has gone into the question of what would be an adequate return on the capital almost 14 years ago and had recommended a return of  $9\frac{1}{2}$  per cent at that time keeping in view the interest rates and the requirement of capital as relevant for power programmes prevalent then. This is not being achieved by a majority of the State Electricity Boards today due to several factors not the least of which is the enormous liability on loans made available by the State Governments which places a contingent liability on the Boards' financial working. The accumulated contingent liability towards interest on loans advanced by the State Governments has increased from Rs. 54 crores in 1972-73 to Rs. 500 crores at the end of 1975-76. Keeping in view the need for the Boards to have a component of share capital in the financial structure and to enable the State Governments to participate in the share capital and also to ensure that the State Electricity Boards are motivated to operate in a manner which will lead to generation of some surplus, the financial provisions of the Electricity Supply Act have been examined and the amendments have been proposed after full consultation with the State Governments. One of the major amendments being suggested is that the State Electricity Boards can have equity participation in the capital structure. The amendments also enable the State Governments to participate in this equity structure by provision of share capital and also by conversion of the existing loans into share capital. While this is not a mandatory provision, it provides an opportunity to the State Governments to participate in the equity structure of the State Electricity Boards and, if availed of, would reduce the interest liability of the Boards to a considerable extent and enable them to present a much better picture of financial performance. When we remember that much of the loans which are made available by the State Governments to the State Electricity Boards

are loans in perpetuity and are not envisaged for being repaid, we expect that the many of the State Governments would take advantage of this provision in the Act to participate in the share capital of the State Electricity Boards. By another amendment proposed in the Act, a positive direction is being given that the State Electricity Boards shall carry on its operations and adjust its tariff in a manner that the total revenue would after meeting all the expenses appropriately chargeable to revenue including operation, maintenance and management expenses would become as surplus. This surplus would be determined by the State Governments from time to time. Another important amendment which is being introduced is in regard to the method of calculating depreciation as prescribed in the Act. Depreciation is an important component of the internal resources of the Board and some flexibility in the manner of calculating the depreciation will enable the Boards to generate further internal resources. At present, any change in the method of calculating depreciation requires an amendment of the Act. We have, therefore, proposed in the amendment before you that the amount to be provided each year for depreciation shall be in accordance with such principles at the Central Government may, after consultation with the Central Electricity Authority notify from time to time.

It is envisaged that the principles of depreciation will be evolved and notified which will be relevant to the financial obligations and structure of the Boards at present. Keeping in view their assets as well as their liabilities, some amendments are also being made in the Sixth Schedule of the Act which deals with the financial principles to be followed by private licensees. Here it is proposed to amend the amount of depreciation available for private licensees to bring them on par with what is pro-

[Shri P. Ramachandran]

posed for the State Electricity Boards. There is also a provision in the Sixth Schedule for the licensees to have a Development Reserve to which it can be appropriated each year a sum equal to the amount of income-tax and super-tax on the amount of development rebate to which the licensee is entitled under the Income-Tax Act. That amendment having been made as a result of the Finance Act of 1976, regarding development rebate, it has become necessary to amend the provisions of the Sixth Schedule to allow licensees to have the benefit of the tax rebate provided elsewhere in the Act of 1976. Therefore, provision is being made for permitting licensees to appropriate a sum equal to the tax saving on the amount of investment allowance instead of development rebate, which does not exist today, under the Income-Tax provisions. It is evident that any resources that are to be raised by the State Electricity Boards will depend on their efficient management, economy of working and on the cost of generating and distributing power. This question has also been discussed by me with the State Chief Ministers and the Power Ministers in a conference earlier this year and it has been agreed to set up an all-India high-level Committee to go into the financial working of the State Electricity Boards. This Committee would also examine the measures for rationalising the tariff structure and indicate the norms for the financial working of the State Electricity Boards. The financial working and the generation work would be subject to the same scrutiny and standards which we are proposing for the State Electricity Boards. These companies are gradually building up the generation programme in the Central sector which will soon reach 10 per cent of the installed capacity in the country. This is being done with a view to supplement the major effort being made by the States to develop power programme. I am confident that with the

proposed amendment sought through this Bill, the financial working of State Electricity Boards will improve considerably and we will be in a position to accomplish the power programme we have not before us.

*The question was proposed.*

SHRI SANTOSH KUMAR SAHU (Orissa): Mr. Vice-Chairman, Sir, when we discuss the Electricity (Supply) Amendment Bill, 1978, we apparently feel how important the question of electricity in our country is. Electricity has come to occupy a significant role in the development of either industry or agriculture. Rural electrification has assumed a very vital place in the planning of our country. But, unfortunately, up till now 35 or 36 per cent of our rural area is electrified, and more than 50 per cent will be covered by the end of the Sixth Five Year Plan.

[The Vice-Chairman (Shri Syed Nizam-Ud-Din) in the Chair].

Sir, what is the use of such piecemeal Bill? This subject requires a thorough consideration. The duties and excises are levied by the State Government and the Government of India. While we are discussing this Bill, we may also remember that our per capita power consumption in India is less than 100 KWH. In other countries they have already reached the figure of 1000 KWH. In Sweden it is the highest—1700 KWH. In India we have to give strong emphasis on rural electrification. While we have to think of all aspects, it is very important to see what are the fundamental points in the planning in our country. Many conferences have enumerated different norms. First, the survey takes a long period. Construction of projects takes a long time. Efficient running of Boards is an important question before the nation.

Now, when we consider this, before coming to the Bill I would like to refer to the Calling Attention by Dr.

V. P. Dutt in this House on the 5th of May on the question of power shortage in the country. While replying to it, the hon. Minister himself told that the power supply position in the country was generally satisfactory, except that Karnataka in the south, West Bengal and Bihar in the eastern region and U.P. in the northern region are concerned. From the *Times of India* of the 13th and 15th May, you will learn that in Madhya Pradesh, industries are closed. There is load-shedding in Delhi itself. This question, therefore, requires comprehensive study to increase the efficiency of Boards and electricity generation and supply.

Now, coming to the Bill, in the beginning I have to say that though apparently it seems that this is a simple Bill, it will not materialise until the State Governments give their consent to it. Secondly, Sir, I would like to point out that it creates a kind of discrimination also among Electricity Boards *vis-a-vis* State and Central generating authorities.

Coming to the Bill, there are some minor points. The Seventh Schedule has been omitted. The word 'servant' is a very bad word. But there is nothing wrong in it. If we examine in detail the Bill, this is what is stated at page 3. Sir, 66A. (1) reads as follows:

"66A. (1) Notwithstanding anything contained in section 12A, were any loan has been obtained from the State Government by a Board, in respect of which Board a notification has been made under sub-section (1) of that section..."

In this, they have said about conversion and I do not disagree. There is a welcome provision in 66A (2) because, as has been pointed out by the hon. Minister, the loan has been increased. It is now Rs. 500 crores or something like that whereas it was, I

think, Rs. 57 crores. Sub-clause (2) of 66A. reads as follows:

"In determining the terms and conditions of such conversion, the State Government shall have due regard to the following circumstances, that is to say, the financial position of the Board, the terms of the loan, the rate of interest payable on the loan, the capital of the Board, its loan liabilities and its reserves"

May I ask a simple question? Do you think that the State Governments who are also interested in the development of the Boards, did not have any principles earlier? Is it necessary that we try to codify everything. In this country, it sometimes creates more problems. In this case also, it is going to create more problems.

I would very pointedly draw your attention to clause 15. It reads:

"For section 68 of the Principal Act, the following section shall be substituted namely:—

'68(1) Subject to the provisions of section 67, the Board shall provide each year for depreciation such sum calculated in accordance with such principles as the Central Government may, after consultation with the Authority, by notification in the Official Gazette, lay down from time to time.'

It is all right. But in the subsequent clause, that is Clause 16, they have said:

"In section 69 of the Principal Act, in sub-section (4), for the words 'forwarded annually to the State Government', the words 'forwarded to the Authority and to the State Government within six months of the close of the year to which the accounts and audit report relate' shall be substituted."

It means more of bottlenecks. We have to go through many processes. We know about the red-tapism which is the greatest hindrance in the development of this country. It will create more authorities. What has been

[Shri Santosh Kumar Sahu]

pointed out by the hon. Minister in his speech is that they want to give more powers to the States and that the State Governments should be more powerful to run the Boards efficiently. But it will create more problems. The words "forwarded to the Authority and to the State Government within six months of the close of the year" will create more problems.

Now, what are the basic problems which are being faced by the States in their electricity generation programmes and rural electrification programmes? As I have pointed out earlier, this Bill has tried to give financial priority. The basic question is whether we cannot develop the *suo motu* or the management could not have evolved a policy? Unfortunately, we find that the consumer is taxed. There was a conference of the Financial Officers of different Electricity Boards at Simla or at some other place. They made a reference to the duty and suggested that duty on electricity should be abolished because the generation cost is higher and they wanted the poor consumers to get electricity at a cheaper rate. In my State, the industry in some cases is getting electricity at a cheaper cost, I am not saying that this Minister or some other Minister is at fault. If the industries get electricity at a cheaper rate, why should the farmers, the poorer sections and the cottage industries get electricity at a higher rate? What is the justification? In spite of the recommendation of the conference that duty should be abolished, what has been done? This time, more excise duty has been levied on electricity by the Central Government. It will affect the consumers. It will affect our industries. I would suggest that the Government should have a more rational view. If they want rural electrification to develop more vigorously and if they want rural development, then the excise duty levied by the Government in the Budget this year, should be given as a kind of

subsidy to the cottage industries and to other poorer sections so that they can also enjoy the basic amenities and also develop the infra-structure of the country. By this Bill, you are creating more of bottlenecks and it will not serve our purpose. The whole question is like this. We want that these Boards should improve their functioning. It is true that the Central Electricity Authority has been created. But the question is how far have they tried to develop these Boards and how far these Boards are running efficiently? It requires a thorough probing. It is not a question of this party or that party. It is a national problem. I want to urge upon the Energy Ministry and whosoever be in charge of it to draw up a vigorous programme for the development of electricity in this country and to take it to all the villages in the country. Without such boldness in our planning and without a heavy and massive programme for the generation and distribution of electricity, I do not think there will be any development of our country. If we want more pumps to be energised and if we want more irrigation facilities to be provided, these problems cannot be solved without more production of electricity.

So also is the case with our cottage industries. We have to see that we provide electricity at the cheaper rate to our cottage industries without which greater production in this field cannot be achieved. It is true that we cannot stop big industries. But we have to give priority to cottage industries sector also. Then, electricity should be made cheaper also. It is so costly today in India. Probably, nowhere else in the world it is as costly as it is here. Fortunately, we are having many good engineers. We must make use of their talent in the running of our electricity boards.

Sir, I come from a State i.e. Orissa where rural electrification roughly was 20 per cent only. We can never come out of the backwardness in which we are placed until this basic

infra-structure is provided. I would appeal humbly to the Minister that some vigorous schemes should be formulated and taken up in right earnestness. The rural electrification programme should be given a big impetus.

Sir, one of our greatest drawbacks is that we pick and choose only some parts of a resolution of a conference or some parts of a report of a committee for implementation, particularly those parts which suit us. We do not try to evolve a process whereby every Board functions efficiently and every village gets electricity.

Sir, we must seek the workers participation in the generation and distribution of our electricity. We must have the participation of those workers who are toiling in this industry. They must have a feeling that the industry in which they are working belongs to them. If such a feeling is created, naturally their productivity will increase. I have visited some of the projects where electricity is generated. I have had talks with their trade unions and they have said what do the sahibs know, how can they increase production, why don't you ask us, we are the people who are doing work in the field, they do not know anything though they may be technically qualified people, they do not know sometimes the practical aspects of the problems in the real field. If we create confidence in these workers, our Boards can function more efficiently and we can produce more of electricity which will go a long way in the development of this country.

Sir, this Bill has some welcome features but it has many lacunae also. The process is more cumbersome now. While the State Governments have been given some powers, they have been given secondary powers with the result that they will not be more efficient because this has been done by means of a Central Act. These

things should have been looked into before this Bill was presented.

Sir, it would have been wise on our part if we had not imposed excise levy on electricity. We have to see that the rural electrification programmes go ahead with more vigour and the poor people in villages take more and more benefits out of it. The Minister should look into all these things.

With these words, Sir, I say that this Bill is not going to improve the position because the load position is not going to increase and the Central Electricity Authority have not been able to improve the functioning of the Boards uptil now. The important point is that we must try to have better functioning of the Electricity Boards. This is a very important point.

Whatever we may do by means of this Bill or whatever we may say, it is only to see that these Boards do not declare surpluses and you do not have to give bonus to workers. It would have been better, Sir, if trade unions', labour unions' and workers' points of view had been taken into consideration. In the end, I would submit that the Energy Ministry should fight with the Finance Ministry and the Planning Commission if the levy is going to affect the poorer sections of the people. The rural people are forgotten and also the farmers. There should be a subsidy given to these rural people so that they get benefit of it. If there is rural electrification, only then we can have prosperity in India and our agriculture and industry can develop.

SHRI GHANSHYAMBHAI OZA (Gujarat): Sir, having suffered the infliction of what happened between 12 and 4, one feels sick both in spirit and body and one also feels whether the role of an elder statesman which is perhaps assigned to us, can be properly played after what our younger friends in the opposition did this afternoon . . .

SHRI P. RAMACHANDRAN: Older people also.

SHRI GHANSHYAMBHAI OZA: Sir, I have some points to make but I will confine myself to making general observations about the working of the various State Boards in this country. At the outset, Sir, I must inform this House that personally I am a great protagonist of public sector. I want public sector to expand in this country and to acquire a domineering position in the overall economy of this country. I think so because if you want to pull out our backward economy from the state in which it was and it is even today, you must establish as many public sectors as is possible within the limits of our resources and consistent with the legitimate requirements of the other sectors, because as all of us very well know, still we are in the category of a developing country, not a developed country, and we have to march ahead a long distance before we can say that we have acquired the position which other more fortunate countries have acquired.

Sir, the day before yesterday, the Minister of Industrial Development made a statement on sick units, particularly private sector units. Today also, while replying to a Short Notice Question, he referred to sickness of various textile mills and to the measures he intends to take for putting them on track again. What an irony, Sir, that while we are talking about the sickness of private sector, we are, perhaps, not as much aware of the sickness in the public sector. To my mind, Sir, the sickness of public sector is much more serious—I would rather say, much more dangerous—than perhaps it is recognised in some quarters occupying this bench. Sir, we have been providing money for investment in public sector right from the Second Five-Year Plan. We have not grudged any amount of money to be invested in this public sector because, as I said in the beginning, we want our economy to break the shell of back-

wardness and march ahead. We thought that after all, when a poor country keeps resources reserved which it can ill-afford, the poor people will forego their present requirements, their present needs, even the primary needs, and through direct and indirect taxes, pay to the Exchequer so much money which is invested in public sector. It was envisaged that we would care for every paisa that is being invested here. Unfortunately, what do we see? Our public sector is the worst patient in this country. Why go to any other industry? It is not necessary. We can go from one industry to another in the public sector and point out how every one of them is suffering from one type of sickness or another type of sickness. Some of the public sector industries are suffering from cancer and it is high time that we look into this kind of thing. I shall confine myself to some humble observations about the particular industry to which this Bill refers. Sir, I may tell you, I may tell this House, that this sector is also suffering from a serious sickness. As compared to the other public sector industries, this public sector industry is in the most enviable position. The other public sector industries have to take into consideration various factors. Right from the procurement of raw materials, finding the wherewithal, how to purchase, where to purchase, how to manage and so on, up to the point of selling, marketing etc., they have to take into account so many factors. Well, this particular public sector industry is so very well placed that if this industry, if this public sector industry, goes down, I do not know how we are going to put the other public sector industries on the track, on the rails, so that they can give the desired results.

Now, Sir, in the generation of electricity, whether it is hydel or thermal, it needs hardly to be emphasised that everything is assured. There is no competition. They have got a monopoly, almost a monopoly, in regard to purchase of water, coal and so on;

whatever it is, by whatever method it is run. Then, it is a seller's market. People have to wait for getting electricity connection. Even then, what had happened, Sir, all these years? We are told that a loss of Rs. 750 crores was incurred by all the power houses in the country put together. As was envisaged, they were supposed to pay interest. Leave apart the question of interest. They have incurred a loss of Rs. 750 crores in an industry which, as I said, is in the most enviable position, right from the beginning to the point of selling the energy which is generated. How are we going to justify all these things before the people of this country who have given this money through their blood and tears? What justification is there for incurring such a huge loss? I fail to understand this. On the top of it, the hon. Minister has that out of the money that was made available by the State Governments and by other financing agencies, the arrears of interest in 1972-73 were Rs. 50 crores. It has now shot up to Rs. 500 crores, at the end of 1975-76. What is the explanation about all these things? We may say that more money was provided, greater generation was there and so on.

Now, what is the proposal? The proposal is that these loans should be converted into shares. What a subterfuge? I do not want to use a harsh word. What will happen? Till now, we could pull them up and say that we have made available to them so much money. The State Governments have made available to them so much money. We know that States like Orissa and many other backward States have made available to these State Electricity Boards so much of their hard-earned money, through taxes, whatever taxes they could levy. They have not got their interest. Now, we are asking them to convert these loans into shares. So, they can now say 'We have not to pay interest; of course, if we earn profit, we will pay you dividend on the

profit'. They will say 'forget about this interest as you have forgotten so many things'. Is this fair to the people, to the poor people, of this country? I can understand if it is a private sector industry, where, you had advanced, loans, and, it is not possible for you to take over the management or to have some control over it. In such a case, you can say that you will convert your loans into equity shares. I can understand that. But this is a public sector industry where the whole money has been loaned by the State Governments. It is the poor people's money. If it is turned into equity, what will happen? Now, they say that they have spent the money and that they are not bothered about paying interest on the money. Now, if it is turned into equity, they will throw up their hands and say 'This is an essential service; we are supposed to give electricity to the village sector, to the rural sector, at subsidised rates and what not and, therefore, we cannot pay you any dividend. Nobody is going to pull them up. When you have not been able to pull them up for not paying interest what are you going to do with them for not paying dividend? I think this is not a well-advised step that we are taking. In the various conferences that have taken place on Electricity Board and even when big dignitaries have spoken on this we find that they have always emphasized that the managements should be efficient, the Boards should be run efficiently and economically, that not a single paisa is wasted. Instead of that, what is happening today? We always hear in the replies of various Ministers at the State level and here also that there are huge line losses. Why are the huge line losses there? They say that it is because the electricity is to be carried over a distance. Not in all cases, in most of the cases it is unjustified. The huge line losses are there because of bad planning and so many other things. Then, take the case of generation capacity and ins-

[Shri Ghanshyambhai Oza]  
talled capacity; what a gap is there between the two? Nobody is going to ask for their explanation as to why this gap between the generation capacity and the installed capacity. You can go away or quit without bothering to reply or rendering explanations to them. Management—so poor; pilferage of electricity, theft of electricity on a very wide scale; what is happening, why all these things? The State Boards must be asked to tighten their management, see that they are properly run, efficiently and economically run. They must be asked to see that this position will not be tolerated any longer. So many ways and means have been suggested. It has been suggested that instead of handing over these Electricity Boards to politicians we must have good administrators, good technocrats and I entirely agree with them. I have my own experience that where good technocrats and administrators have been appointed, they have shown better results in this public sector. So, we must take care to see that these posts are not treated as sinecure and people are not simply accommodated because they have got to be accommodated.

As I said in the beginning. I have only some general observations to make and I am sure that if this public sector goes down, if it does not pick up, it can augur very badly for all public sector units. This is going to be the yardstick. The success in this particular sector is going to be the yardstick with which we will measure the possibilities of success in any other public sector.

So, I humbly request the hon. Minister—I know he has got a very challenging task before him, there are so many recommendations, resolutions, I will not go into all these things—to have a dynamic look into this public sector, into these State Electricity Boards and see that they are put in proper trim, they played the role which is assigned to them and

that they did not languish as they have been doing till now.

SHRI BIR CHANDRA DEB BURMAN (Tripura): Mr. Vice-Chairman, Sir, the role of electricity in the development of our country needs hardly any mention. In the oft repeated saying of Lenin, Communism means the Soviet Union plus electrification. The role of electricity in the development of a country has fully emerged.

Now the hon. Minister has said that within the next five years they propose to add 18,500 mgw. and for this purpose he wants to gear up the Electricity Boards. But I am afraid the legislation which he has brought forward instead of gearing up the Electricity Boards, would prove to be a havoc for them. I fully agree with my learned Member who has spoken previously that the management of this Electricity Board has gone down to such an extent that if this concession is given to them, instead of making improvement the condition of this Electricity Board will be deteriorated. I will come to that later on. What I want to say is that the generation of electricity is a very important task. Its planning should be made keeping in view the fact that ours is a country where, in comparison to other countries, the per capita consumption of electricity is the lowest. So if we want to develop our country, we should make all possible exploration so that all the energy resources in our country can be properly utilised.

Energy can be tapped from various sources—nuclear sources, hydel and thermal plants, gas turbines and solar plants etc. So all sorts of resources from which energy can be generated must have to be explored and fully utilised. The survey which was undertaken in the fifties for hydel resources had not been carried out properly. The entire Himalayan range can produce 10 times more

electricity, but only 30 per cent of it has been harnessed. The rest of it has not yet been harnessed. Such surveys can also be carried out in the South also where we have various mountains like the Vindhya. We should make a full exploration of these resources so that we can get as much energy as possible.

So far as thermal projects are concerned, we are utilising a very poor grade of non-coking coal wherein the percentage of ash exceeds even 40 per cent. The utilisation of such non-coking coal is a forced outrage on the plant. We must try to improve the quality of our coal so that the thermal plants may not have to undergo this forced outrage.

Then, there is some thing in electricity which is called transmission loss. This transmission loss in the generation of electricity in our country is the highest in comparison to other countries. In 1971-72, the transmission loss was 19.52 per cent, in 1972-73 30.87 per cent., in 1973-74 31.27 per cent., in 1974-75 24.41 per cent, in 1975-76 25.04 per cent and in 1976-77 25.07 per cent. The transmission loss in other developed countries is between 5 and 12 per cent. As far as electricity is concerned, unlike the other commodities, it cannot be stored up. Once it is generated, it must be utilised; otherwise it will go waste. Also, the demand during the day will reach the peak point, while in the night it will come to the lowest point. The difference between the peak-point-demand and the lowest-point-demand is 60 or 70 per cent. We must try to make the fullest utilisation of the power generated so that this difference, which, in our country, is to the extent of 60 to 70 per cent, can be minimised.

So far as rural electrification 6 P.M. is concerned, Mr. Vice-Chairman, Sir, it is said that farmers live in remote villages. There 430 RS—5.

fore, transmission loss is most in their case for which they must pay. This is completely a wrong fiscal theory. The farmer must get electric energy cheaper because he is connected with the production of food etc. Mr. Vice-Chairman, Sir, there are cases where the farmer raises loan for pumping sets. Instalment of repayment of loan becomes due shortly after but they do not get electric connection. There is nobody to bother about. There are also instances where due to fluctuation in electric supply the motor for the purchased pumping set gets burnt but nobody bothers about it. But the farmer has to pay more for electric supply whereas other industries have to pay less. We must give electricity in a subsidised way so that the farmers can produce foodstuff more easily and comfortably.

Mr. Vice-Chairman, I will now give one picture of the Electricity Board which speaks of the condition of electricity boards in other States as well. It has been published in the Economic Times dated 11th March. Their financial condition is such that for payment of wages of the employees they have to draw upon the Provident fund reserve. For this financial condition political interference in the electricity boards is to be blamed. It is not due to any other factor. For example, according to the provision, there will be a Member from the Indian Audit and Accounts Service. But the Accounts Member of the Bihar Electricity Board is a moneylender. His only qualification is that he is a moneylender.

SHRI PRANAB CHATTERJEE (Bihar): He is no longer there.

SHRI BIR CHANDRA DEB BURMAN: I do not know. I am reading from the Economic Times. It says:—

“As appointments and recruitments were made without reference to actual need of the qualification laid down, all sorts of workshy people have got into the Board.

[Shri Bir Chandra Deb]

The establishment cost per kwt. has risen steadily."

So the establishment charge is more. A Committee has been appointed to see what will be the manpower of this Electricity Board. They recommended 19,000. Then 22,342 was sanctioned as the manpower. But, actually, what is the manpower? It is 40,350. In 1973-74, the wages and salaries of the staff worked out to Rs. 12.09 crores and an overtime bill of Rs. 85.25 lakhs. So the whole money, whatever you want them to produce, is eaten away by the employees because of a large establishment. So the cost of production per kilowatt rises. Therefore, can the mismanagement of this Board be overcome only by converting this loan money into equity shares? Actually it was interest at that time. The State Government says, I have given you a loan and this is the interest you have to pay. Now the interest is being converted into equity shares and they will have to pay dividend. When they are not able to give the interest itself, will they be able to pay dividend? Therefore, I think we must go deep into the question of how to do away with mismanagement of the Electricity Boards so that they can be geared up. I hope the hon. Minister will consider this.

I think this Bill will have very little impact on gearing up the Electricity Boards. Rather they will get further concessions for mismanagement. Thank you, Sir

**SHRI S. W. DHABE (Maharashtra):** Sir, I rise to oppose this Bill. This Bill is an attempt to transfer the public sector industries to the private sector and dismantling of the public sector—a policy of the Janata Party being followed indirectly.

What is the use of forming companies when the Electricity Boards are statutory bodies? I agree with Mr. Oza, who spoke from the Janata Party, that this is neither prudent management nor a good proposal

when the Governments are getting interest on the loans every year. In my State they are getting, from the Koyna project, an interest of about Rs. 100 lakhs in the last two or three years. Permanently when they are getting some money from the Electricity Boards, now the provision has been made that it will be converted into equity shares. This is permanently wiping out the Government loan and interest money. This will be a drain on the public exchequer and this will be a fraud on the public finances.

Sir, before I proceed further on the subject, I want to make some comments. This is one of the very ill-drafted Bills. The Statement of Objects and Reasons is not given clause-wise. Some clauses have been skipped over as if it is the exclusive prerogative of the drafting department to give some information only where they want to and not to give information where they do not like. It is a very important principle that for every clause they want to amend, they should give an explanation. Also, it is a bad piece of delegated legislation and, further, a bad piece of delegated power of regulation to the State Governments on financial matters. Take, for instance, two items in this Bill Section 62 of the Act says:—

"Save where in the opinion of the Board circumstances of extreme urgency have arisen, no sum exceeding seventy-five thousand rupees on account of recurring expenditure or exceeding three lakhs of rupees on account of non-recurring expenditure shall be expended by the Board in any year of account unless such sum has been included in a statement submitted under sub-section (1) or sub-section (5) of section 61."

Sir, after the budget has been given of the Electricity Board, once the amounts are budgeted, power is not invested in the Board to spend be-

sides the budget unless it is an extreme urgency; and this power is given to the entire Board. Now, what has been amended, I will show. In section 62 of the Act, after the words "extreme urgency" the words "it shall be expended in accordance with the regulations made by the Board, with the previous approval of State Government" shall be inserted. That means, Sir, an Accounts Officer of the Board or an ordinary technical Member of the Board can be unauthorised by framing a regulation and the technical Member will decide and he will be able to spend the money. I could have understood the proposition to be made for the Board that instead of Rs. 25,000 the amount is increased to the specified limit and power is given to the Board. But this is extremely likely to be abused. As I know the working of the Boards in my State, being a Member of the Consultative Council, this piece of delegated legislation giving financial powers to the officers of the Board is likely to be abused. I want to remind the Minister that, though he is a very good and competent Minister, he has fallen a prey to the officers who have made this regulation. So it is also bad. I can understand the State Governments, because they have got powers and because it is a State subject, to come forward with an amendment in a particular case and ask for forming of the companies. For those who have not asked for it, why the provision of the Companies Act comes in here? Why are the companies necessary?

Sir, under section 12 of the Act, the Electricity Board itself is a statutory body. The section itself provides that Section 12 itself says—I will just like to quote a few words of it—"The Board shall be a body corporate by the name under section 5 having perpetual succession and common seal". Now, what has been amended? It is very interesting. I do not know whether the Minister has seen the whole Bill. Section 12A has been

added to clause 4. It says:

"The State Government may, if it considers expedient so to do, by notification in the Official Gazette, direct that the Board shall, with effect from such date as may be specified in the notification, be a body corporate with such capital, not exceeding ten crores of rupees, as the State Government may specify from time to time"

When section 12 itself provides that it is a body corporate, I do not understand why again it has been mentioned in section 12A. It will give rise to a lot of litigation in the Supreme Court and the High Courts. Again, I do not understand why this limit of Rs. 10 crores has been brought in. No reasons are given in the Statement of Objects and Reasons. And sub-clause (3) of this section is a bad piece of delegated legislation. It says:

"Such capital may be provided by the State Government, from time to time, after due appropriation made by the State Legislature by law for the purpose and subject to such terms and conditions as may be determined by that Government."

Such type of legislation has been criticised on the ground of "such terms and conditions as may be determined". In a piece of delegated legislation, it is a cardinal principle of drafting of the legislation that it must give the guidelines on which this power can be used. But no guidelines are included in section 12A. It is unlimited and blanket power given to a State Government to put any terms and conditions. I think, Sir, it requires a second view of the matter. This principle of having companies is also bad because, when it is a public sector undertaking. There is no reason to go back to forming companies. And to say that they will be able to manage better, is not correct. Our experience of the Coal India

[Shri Bir Chandra Deb]  
Limited is not very happy. Why electricity arrears are there? Why have they not been recovered?

I will come to the guidelines given in the Ministers' Conference. The main question, therefore, is that if you really want to improve the functioning of the Electricity Boards, this sort of amendment is not going to make any improvement except that it can be said that it is a public sector company. Guidelines have been evolved in 1972. There are about seven guidelines. I will read only two or three which are relevant:

- (i) Reduction in system losses;
- (ii) Higher level of thermal plant capacity utilisation;
- (iii) Improvements in fuel management,
- (iv) Improved financial management, recovery of arrears, etc.
- (v) Reduction of administrative overheads by streamlining of procedures, defining workloads, etc.,

Sir, the Electricity Boards' dues of Rs. 90 crores have not been paid to Coal India Ltd. Even today the public sector itself does not pay its dues to the Boards. That is one of the reasons why the coal prices have gone up. Therefore, the main question is that there should be better improvement in the working of the Electricity Boards. I would have understood the principle if he had taken the Gandhian idea that the employees should be the sole trustees and shareholders. There is no provision here. Six lakhs workers are there whose life is connected with the Electricity Boards. They could have been made shareholders by floating a company and given the equity shares. They could have contributed to the capital. Section 5 of the Act provides for the constitution of the Boards. There is no provision to include trade unions or workers' nominee on the Electricity Boards. I would

like the Minister to consider this very seriously. You should get workers' participation in management; they should be taken on the Boards of the Electricity Boards. It would have been a great revolutionary thing in the concept of public sector management, if the Minister had taken this opportunity to amend section 5 and provided for workers' nominee on the Boards.

Sir, then, the industrial relations are not so good. In five States, as far as I know, no revision has been made from 1974. In 1969 an agreement was made on wages which expired in 1974. Since then, Sir, important Electricity Boards like those of U.P., Bihar, Himachal Pradesh, Punjab and Assam are still defaulters, and, therefore, agitations are going on.

Lastly, Sir, I would like to submit that this is not a Bill which was expected from the Energy Minister. I would like to tell him that this juggling of creating companies will not change the situation. The Load-Shedding is very heavy. The utilisation is only 30 per cent. In my State we have got a programme of generating 600 mg. more power. I want that there should be extra generation at Koradi. At Durgapur in Chanderpur District there is a super thermal programme. If this programme is to succeed, workers' co-operation should be taken. It should not be left to the officers only. The management of the Electricity Board should not be left to the officers only. If these questions are asked, the Minister tells us that the Boards are autonomous.

Lastly, there is the question of the Centre-State relations. These came into the picture. Then the guidelines committee appointed by the Central Government for the revision of the wages of the Electricity Boards employees, the State Governments took objection because it is a State subject, and the committee could not function afterwards. I would request the Minister to consider seriously all these questions.

In January, 1978 the Prime Minister has given the following guidelines to the Conference of the Power Ministers. What he has said is very important. I quote:

"The Prime Minister addressed this Conference and called upon the State Chief Ministers and Ministers of Power to ensure that the electricity supply industry in the country, which was a very major public sector industry with the largest investments made in any single sector so far, was managed more efficiently and economically so as to secure optimum benefits from the investments already made and speed up the process of economic development."

Therefore, the main question is of implementation, not of changing the law and creating statutory bodies under the Act. Therefore, I would like the Minister to bring a comprehensive Bill which would satisfy the needs of the country and help our development programme.

SHRI ANANDA PATHAK (West Bengal): Mr. Vice-Chairman, Sir, I would have welcomed this amendment Bill had the Government really been serious about achieving the target of additional installed capacity of power to the tune of 18,500 MW during the next five years and also about ensuring the availability of more power to the consumers at cheaper rates and also about improving the working conditions of the workers. But I do not know whether the Government is serious about these things.

The present Bill seeks to strengthen and improve the financial working of the State Electricity Boards for gearing up their activities in generating more power and in the distribution of electricity on a rational basis. Sir, according to the statement of the hon. Minister, the State Electricity Boards are obtaining significant financial support from various sources and financial institutions. Further the Bill has entrusted the State Governments with

more responsibility to streamline the work. The original Act had envisaged that the Boards should ensure that areas which were in short of power or had inadequate supply of power were given priority in the matter of supply of electricity. Sir, in reality what do we find? The power crisis in the country is very very acute today and causing tremendous hinderance to industry, agriculture and the life of the people. This is the state of affairs today. Consequently we are losing an enormous amount of money due to lack of supply of power and energy. Sir, the previous Government is mainly responsible for this state of affairs. So, only the pious wishes and the desire of the hon. Minister cannot make the State Electricity Boards run economically, if they do not effect far-reaching changes in the present state of affairs. The previous Government miserably failed to fulfil the target of additional installed capacity of 9,26 million KW during the Fourth Plan period. It remained satisfied with only 4.16 million KW during the Fourth Plan period. Now, when we come to the Fifth Five Year Plan, we find that during the first two years of the Fifth Plan, the additional installed capacity created was only 3.52 million KW. In the third year of the Plan, the announced target was two million KW. But the achievement was only 0.64 million KW. Sir, this was the when they declared before the world that they had disciplined all the workers, the whole people of India. During the Emergency, that was the declared target. And what was the achievement? The achievement was so miserable that it was only 0.64 million KW.

So, we find that the condition is very very bad and the situation is very very alarming. But I see that it is a man-made crisis. The crisis was perpetuated by the previous Government, by the previous ruling party which was running the administration for the last 30 years. In the Sixth Plan the draft of which we recently discussed here, the target is 18,500 MW. If the

[Shri Ananda Pathak]

previous performance is any indication, no drastic changes would seem to come about in the present state of affairs. I have serious doubts if we are going to achieve the target. I want to know from the honourable Minister whether the Government is really serious about this target. In the beginning also I was emphasising this point: There is widespread corruption, nepotism, inefficiency in the Electricity Boards everywhere. I refer to my State, West Bengal, where during the regime of the previous Government, especially during the period between 1972 and 1977, nepotism, corruption and favouritism were so rampant that the situation surpassed all previous records. In the name of recruitment more than 12,000 inefficient, untrained and uneducated people were illegally recruited in the State Electricity Board who created disastrous situation in the spheres of generation and distribution of electricity. After the change of Government in West Bengal in the last Assembly elections, the West Bengal Government has been paying serious attention to remedying the state of affairs in the sphere of electricity, and the Government has started improving the position. But it has been facing obstacles in its way, in each and every move. And why? The people who were recruited by the previous Government are not cooperating with the present Government in its efforts to improve the situation; instead, they are helping the anti-social elements to sabotage the whole project and they are jeopardizing the schemes undertaken by the Government. They are ruining the generating stations. They are ruining everything. That is the problem. Moreover, the Government of West Bengal is suffering from acute shortage of funds. Funds are urgently needed for improving the position of power generation. The Government of West Bengal has appealed to the Central Government for allocation of more funds. It has also appealed to the Central Government for setting up a super thermal power

station at Farakka. It has also requested the Central Government to sanction the proposal for setting a gas turbine in North Bengal, in Siliguri. It has undertaken Rasnam and cotton with major projects in hand. The West Bengal Government is seriously considering the problem of rejuvenating the Jalethakka and other projects which were ruined by the previous Government. But the finance is the main hindrance in the way of the present Government in West Bengal. I would therefore request the honourable Minister to look into these very important projects and also the projects which are being proposed to be undertaken by the Government of West Bengal, and arrange to sanction the required funds and accord permission to undertake certain other projects which may enable the State Government to go ahead with these projects without which it cannot play the desired role in order to fulfil the objectives of this Bill. Moreover, without improving the conditions of the workers whose active participation in the developmental activities is so essential, we cannot expect to get better results. So, the Central Government should strengthen the financial position of the State Electricity Board under the strict democratic control of popular committees by assisting them with enough funds and improving the conditions of the workers.

Lastly, I would like to urge upon the honourable Minister to see that in the name of improving the fund position of the Electricity Boards they do not further increase the burden on the shoulder of poor consumer. Let them not increase the burden of the poor consumer through higher rates and charges. Sir, I support this idea. 4 minutes back, one of our honourable friends was putting forth the suggestion that there should be subsidy in such matters so that the poor consumer may get electricity at cheaper rates.

Sir, with these words, I conclude. Thank you.

श्री राम लखन प्रसाद गुप्त (बिहार) : उपसभाध्यक्ष महोदय, इलेक्ट्रिसिटी एक्ट, 1948 में, इलेक्ट्रिसिटी अधिनियम बिल, 1978 के ऊपर हम लोग आज विचार कर रहे हैं। इसमें बहुत ही महत्वपूर्ण संशोधन है और माननीय सदस्यों ने जो शका प्रकट की है जिसमें कंट्रोल और एफिशिएंट एडमिनिस्ट्रेशन की बात आई है, यह सारे प्रावधान इसके अन्दर है। इस संशोधन के अन्दर दफा 12(ए) करके जोड़ा गया है उसे देखा जाएगा तो साफ यह मालूम होता है कि बोर्डों को जो पहले अधिकार था, उस अधिकार में राज्य सरकारों का बहुत ही बड़ा हस्तक्षेप है और राज्य सरकारें उसको अपने कंट्रोल में रख सकती हैं। उसी तरह दफा 67 के अन्दर भी यह बताया गया है कि बोर्ड किस तरह में खर्च करेगा और किमको प्रायोरिटी दे मकेगा। इसके ऊपर भी प्रावधान किया गया है। यह बात सही है कि बिजली का बहुत ही महत्व है और खास करके हमारे सामने इसकी बड़ी समस्या है। यद्यपि 1950 में 2300 मेगावाट उत्पादन था, 1976-77 में 26000 मेगावाट हुआ, 1977-78 में 2000 मेगावाट उत्पादन बढ़ा यानी छठी पंचवर्षीय योजना 1978-83 के शुरूआत में 26000 मेगावाट है। इस योजना के अन्त तक 1982-83 में 44,626 मेगावाट का उत्पादन होगा, इसके उत्पादन पर 15,750 करोड़ रुपए खर्च होंगे। इतनी सारी चीजों की पूर्ति के लिए यह बात बहुत ही आवश्यक है कि उस कानून के अन्दर ऐसे संशोधन किये जायें जिसके कारण हम उस लक्ष्य तक पहुँच सकें। यह बात सही है कि भारत के अन्दर जितने गांव हैं यानी 5,76,000 गांव हैं उसमें से 2,02,843 ग्रामों में ही 31-3-77 तक बिजलीकरण किया गया जो कि 36.5 प्रतिशत होता है। उसी तरह से ग्रामीण जनता को जो 25,17,84,000 है, अर्थात् 58.5 प्रतिशत को बिजली प्राप्त हो सकी है। लक्ष्य तक पहुँचने में बहुत ही कड़े कदम उठाने पड़ेगे और उसके लिए जो यह संशोधन रखे गये हैं बहुत ही आवश्यक हैं। यह बात सही है कि जनता पार्टी जब से सरकार में आई है, उस समय से बिजली का उत्पादन बढ़ा है। अप्रैल, 1977 से लेकर फरवरी, 1978 तक 3 प्रतिशत को बढ़ोत्तरी हुई है यद्यपि यह 3 प्रतिशत बढ़ोत्तरी कोई बहुत सन्तोषजनक बात नहीं है। इससे जनता को सन्तोष नहीं हुआ है। 9 महीने के अन्दर जो गिपोंटिकली है उससे पता चलता है कि 7,132 गांव में बिजलीकरण किया गया है और 1,74,851 नये पम्पिंग सेटों को इनर्जीज किया गया है। 52,54,000 रूरल पापुलेशन को लाभ पहुँचा है। इन सारी चीजों के बावजूद यह आवश्यक है कि इसके अन्दर हम आगे बढ़ें। हमारे यहाँ पर जो थर्मल पावर के बारे में बतलाया गया है जिसका 55 प्रतिशत यूटीलाइजेशन होता है परन्तु बिहार के अन्दर जो मुझे अनुभव है वह 33 प्रतिशत ही पहुँच पाता है। टिस्को वगैरह जो दूसरे प्लांट हैं उनमें 85 से 90 प्रतिशत का उत्पादन होता है। बिहार में थर्मल पावर का 33 प्रतिशत उत्पादन हो पाता है। इस तरह से हिन्दुस्तान के बहुत सारे राज्य जिसमें बिहार भी बहुत

पीछे है। बिहार में तो प्रति व्यक्ति मात्र 93.19 यूनिट कन्जम्प्शन हो पाती है। इससे अधिक वहाँ पर उपलब्ध नहीं है, इसलिए यह जो प्रावधान लाए गए हैं यह बहुत उचित हैं। मैं दो तीन बातों की ओर मंत्री महोदय का ध्यान आकर्षित करना चाहता हूँ कि जो टैरिफ रेट है उसमें बहुत असमानता और उसके आधार इस तरह के रखे गए हैं जिससे कुछ पता नहीं चलता है। कहीं बहुत कम कर दिया गया है तथा कहीं ज्यादा कर दिया गया है। टैरिफ रेट सुधारने की बात पंचवर्षीय योजना ड्राफ्ट के पैराग्राफ 10 में ध्यान दिलाया गया है। हम समझते हैं मंत्री महोदय उस तरफ ध्यान देंगे। बिहार के अन्दर मिनिमम गारंटी है। वहाँ पर जो मिल्क वाले हैं चाहे वे कोई भी व्यवसाय करने वाले हों उनके ऊपर मिनिमम गारंटी लग गयी है। परन्तु हम बिजली कितनी दे सकेंगे इसकी गारंटी नहीं है। हम विद्युत् की आपूर्ति में जब मिनिमम गारंटी नहीं कर सकते हैं तो मिनिमम गारंटी लगाने का क्या औचित्य है? उसके बावजूद भी बोर्डों को घाटा है। इसके लिए क्या किया जाय। बोर्डों का घाटा अगर चोरी में हो तो जो चोरी करने वाले हैं उन पर कार्यवाही न कर ईमानदार उपभोक्ताओं के ऊपर दर बढ़ाई जाय, यह उचित नहीं होगा। बिहार के अन्दर बोर्डों में 6,000 सरप्लस मजदूर हैं। जगन्नाथ मिश्र जब वहाँ के मुख्य मंत्री थे तो उन्होंने ये मजदूर बिहार में रखवाये थे। इनका कोई काम नहीं है। साल के अन्दर लगभग 34 करोड़ रुपए का घाटा बिजली बोर्डों को होता है। इन सारी चीजों की तरफ मैं चाहता हूँ कि सरकार ध्यान दे। उसके बाद इस प्रस्ताव का यह जो बिल आया है, हम इसका समर्थन करते हैं और यह बिल हम सबको पारित करना चाहिये।

श्री देवराव पाटील (महाराष्ट्र) : उपसभाध्यक्ष जी, इस विद्युत् प्रदाय संशोधन विधेयक के जो उद्देश्य बताये गये हैं वे वाणिज्य सिद्धान्त और बोर्डों को अपने कदमों पर खड़ा करने के सिद्धान्त हैं। लेकिन इसमें यह नहीं बातया गया है कि वाणिज्य सिद्धान्त क्या है? इसके बारे में मेरे मित्र श्री धावे साहब ने प्रकाश डाला है। मैं उस पर नहीं जाऊंगा मैं केवल एक दो बातों के ऊपर मंत्री महोदय का ध्यान दिलाना चाहता हूँ। जब यह बोर्ड खुद अपने पाव पर खड़े हों उनकी आर्थिक स्थिति अच्छी हो और वे फायदेमंद काम करें ये जो इरादे हैं इन इरादों की सफलता के लिए गवर्नमेंट को यह भी देखना पड़ेगा कि इन बोर्डों का घाटा क्यों हुआ है? कई माननीय सदस्यों ने इसका रिफरेंस दिया है। बोर्डों का वेज उत्पादन का लक्ष्य था इलेक्ट्रिसिटी निर्माण करने का जो लक्ष्य था वह पूरा क्यों नहीं हुआ? आज डेली हम पेपर्स में क्राइसेस इन दि इलेक्ट्रिसिटी पावर स्टेशन देखते हैं। जो-जो इलेक्ट्रिसिटी उत्पादन करने वाले क्षेत्र हैं वहाँ-वहाँ हर जगह क्राइसेस हैं। कोयले से जो बिजली का उत्पादन होता है उस कोयले का न मिलना फेमाइन आफ दि कोल क्राइसेस का एक कारण है। यह एक मुख्य कारण है और इसी से जो

बोर्ड का लक्ष्य रहता है वह पूरा नहीं हो पाता है। इसी से उनको घाटा होता है। इस सारी प्रक्रिया में गवर्नमेंट अपनी जिम्मेदारी पूरी तरह से नहीं निभाती है जैसे कि प्राइसेस आफ कोल। कोयले का प्राइस कौन फिक्स करता है? सेन्ट्रल गवर्नमेंट। लेकिन कई दफे ऐसे मामले आ जाते हैं कि वह प्राइस एक-एक या दो-दो महीने तक फिक्स नहीं होता है। कोयले की सप्लाई करने का जो प्रोग्राम रहता है वह भी स्टैंडिंग कमेटीज, सेट अप बाई गवर्नमेंट आफ इंडिया, तय करती है लेकिन उसको मालूम ही नहीं होता है। तीसरा कारण यह जो कोलरीज है, इनके डेवलपमेंट की तरफ किसी का ध्यान नहीं होता है। चौथा बात जो टर्मस आफ कन्ट्रैक्ट होते हैं उनका फाइनल डिजीजन भी सेन्ट्रल इलेक्ट्रिसिटी अथॉरिटी में होता है महाराष्ट्र में जैसा हमने देखा है, महोदय मुझे गर्व है कि महाराष्ट्र इलेक्ट्रिसिटी बोर्ड ने पांच साल में 2,400 मेगावाट अतिरिक्त बिजली के निर्माण का निर्णय लिया है। लेकिन आज क्या परिस्थिति है कोयले की कमी होने से कोराडी, खापरकेडा, नामिक तथा महाराष्ट्र स्टेट के कई ऐसे पावर स्टेशन में क्राइसेस आ गई हैं।

The crisis in Koradi and Khaparkhedha power stations has arisen because of delay in the development of collieries by Coal India Limited. Palam and Saongi collieries located near Koradi have proved reserves of coal, but Coal India has not developed these collieries, इसलिये रिपोर्ट में आखीर में जो दिया है मैं सिर्फ उसकी बात करूंगा। महाराष्ट्र की रिपोर्ट Roots of present crisis in the Power stations—I quote:

In general, the crisis has arisen because of the delay in the development of collieries by Coal India Limited. Patan Saongi Collieries located near Koradi have proved reserve of coal but Coal India has not developed these collieries. Owing to the fall in the stocks of coal, Maharashtra State Electricity Board was compelled to close one of the four 120 MW units at Koradi from 26-4-1978. One unit of 30 MW at Khaperkheda had also to be stopped from 24-4-1978. The Koradi unit was brought back into service on 4-5-1978 after some improvement in the coal deliveries. However, even on 4-5-1978, Koradi had only one day's requirement of coal in stock."

इस तरह से यह सेन्ट्रल गवर्नमेंट का जो फनक्शन है कि कम से कम प्राइस फिक्स करना और डम बात को देखना कि काल नियमित रूप से उनका मिलता है या नहीं, कालोनीज बिल्ड होती है या नहीं, ये जब तक नहीं होगा तब तक इसमें इम्प्रूवमेंट होना मुश्किल है और इसलिए मैं कहता हूँ कि माननीय मंत्री महोदय, कि पहले तो खयाल था और उसमें एक दिन के लिए एक पावर स्टेशन शुरू हो गया था, लेकिन बाद में वह 4 मई से बन्द हो गया। तो कोयले के अभाव का नतीजा यह हुआ कि पावर स्टेशन बन्द पड़े हैं। जो प्राविजन्स मंत्री महोदय ने किये हैं, उनमें काफी अच्छे प्राविजन्स हैं। लेकिन प्राविजन्स की डीटेल में, मैं नहीं जानूंगा प्राविजन बोर्ड का काम सुधारने के लिये है। उनमें से मैं सहमत हूँ। मंत्री महोदय से कहूंगा कि महाराष्ट्र इलेक्ट्रिसिटी बोर्ड की जो मांग है उसकी तरफ मंत्री महोदय तुरन्त ध्यान दे नहीं तो एक बहुत बड़ी क्राइसेस बहा उत्पन्न हो जाएगी और एक बहुत बड़ा क्रान्डी-लन होगा, क्योंकि किसान और छोटा-छोटा इंडस्ट्री वाले और बहा के लेबरर बहुत चिन्तित हो रहे हैं।

SHRI LEONARD SOLOMAN SARING (Sikkim): Sir, this Bill would reduce to a great extent the burden of interest on loans on the State Electricity Boards and it will also eliminate the disturbed conditions in the management of the said Boards. Electricity being the basic necessity in the day to day life as regards agriculture, industry, etc., it is but natural that the proposed outlay on it is the highest. But due to corrupt practices in the working of the State Electricity Boards, huge losses have occurred. To wipe out these losses a committee of experts may be appointed after convening a meeting of the Ministers of Power of all the States.

Of late, the power supply position has deteriorated to a great extent all over the country. In my State of Sikkim, electric generation and supply position is very inadequate and unsatisfactory. We have got only three hydro-electric projects at the moment. The total capacity of all the three projects is about 2.5 MW. There is one diesel power house at Gangtok which has a capacity to produce only 500 KW of power.

But for the speedier economic and industrial development of the State and for bringing the State at par with other industrially advanced States of the country, this amount of electricity produced therein is quite far from satisfactory and most inadequate. Some more power projects, may be on modest and smaller scales, be constructed in the State. We have big rivers, like Teesta, Rangeet, Tolungchu Lachenchu, Chak-aungeh Lachungchu, etc. along with their tributaries, which have got vast potential for power, namely, the hydel projects envisaged to be established probably at places as follows: (a) Sankalang (Singlik)—Chungthang, (b) Lacheu—Chungthang, (c) Lachung—Chungthang, (d) Sankalang (Singlik)—Dikclu, (e) Dikchu—Singtam, (f) Rangeet—Lagsyep. If this dream is realised and I hope it will be early, then Sikkim will have a regular supply of at least 10 thousand m.w. of power. These rivers are a source of perennial water supply. The programme for building smaller hydel projects and units on the lines of Switzerland on these rivers and their tributaries may be formulated and implemented soon. The electricity produced in this manner by the smaller units may be pooled together and distributed from a Central project to every nook and corner of the State. Smaller units will involve less time in their construction and the construction cost will also be less.

For exploitation of the natural resources in the form of copper mines, gold mines, lead and zinc deposits, we certainly require more energy. Possibility of uranium deposits in the State is also very high. These also can be exploited with the help of electricity.

No date has been fixed for the commissioning of the Lower Lagyap hydro-electric project which is under construction. Its speed of construction may be accelerated so that we may have ample power resources.

Sikkim can be developed like Switzerland if the tourism industry is given a fillip in the State. More income will accrue to the State exchequer if tourism is stipulated. For this there are ample opportunities. We have got mountainous terrain, highest snowclad hilltops, cliffs and picturesque surroundings. But for tapping this source of income we are in dire need of electricity. We can build there electricity operated ropeways which can join the various hilltops in different sectors of the State. This will be a great source of enthusiasm and thrill for the tourists. And, when we get additional source of income through tourism we can also contribute towards the construction of smaller power units. In this way we can be self-sufficient as regards the electric generation is concerned.

With these words, Sir, I support the Bill. Thank you.

SHRI P. RAMACHANDRAN: Mr. Vice-Chairman, Sir, when we discuss about electricity a lot of heat, light and sound are produced. Many hon. Members have discussed the power programme and the generation of electricity rather than the provisions in the Bill. Only Mr. Dhabe tried to discuss some provisions in the Bill. With great efforts he tried to oppose the Bill, pointing out certain defects which may not be valid under the present circumstances. In fact some of the provisions in the Bill are just enabling provisions because the State Electricity Boards are to be made more viable commercially. To enable them to become more viable, these provisions have been brought in. With regard to one or two provisions, Mr. Dhabe mentioned that expenditure has to be incurred by the electricity boards. Even now the provision is there in the Act. The objective is that certain regulations have to be followed by people who spend money in the State Electricity Boards. It is only for that purpose that this thing has been done.

SHRI S. W. DHABE: The Boards meet every month and they have got the power. Members of the Board meet and then decide about the financial urgency and then sanction it. The power which you have given now will be exercised by some officer and it will never come to the Board.

SHRI P. RAMACHANDRAN: We have to see that the State Governments also have a hand in the functioning of the Boards and unless the State Governments have the powers to scrutinise and also to sanction, it will be very difficult for them to work.

SHRI S. W. DHABE: Once the Board's regulations are approved, it is the officers who will exercise the powers.

SHRI P. RAMACHANDRAN: The State Governments will have the power to modify the regulations. I do not want to take much of your time. One point mentioned by the hon. Members is about rural electrification. At the moment we have covered more than 36 per cent of the rural areas. Our objective is to see that we cover in the course of the next five years another lakh of villages with another 20 lakhs of pump-sets. In the meeting that was held in the conference of Electricity Board Chairman sometime in 1976, it was agreed that the Electricity Boards must prepare perspective plans about rural electrification. Accordingly, some of the States have sent their plans and these plans, if they are to be implemented, may probably take a few years; probably by the end of 1994-95, almost the entire country will be electrified in the matter of rural electrification. But these things have to be carried out by the State Governments and they have to set apart lot of money for that; it requires hundreds of crores of rupees to see that rural electrification is carried out. That is why, it takes time. But the objective of the new Govern-

ment, and our thrust is that this electrification must be done expeditiously in the rural areas, not only to provide power in the rural areas but also to develop the cottage and small-scale industries. For that, the power has to be taken to the villages.

I have one more point about losses. Some emphasis was laid on this point. In fact, in the beginning, in the transmission and distribution systems, adequate precautions were not taken to avoid these losses. We are trying to improve the systems in such a way that these losses are minimised. That is also our effort.

With regard to the other complaint made about the power for the Electricity Boards and whether they are going to become more viable and whether they will be geared up to face the challenges. It is only with that end in view that we are trying to provide in this Bill some of the provisions to make these Electricity Boards more viable, and with a large power generation programme, we want to see that the Electricity Boards have enough resources, including the internal resources for generating more power. We want to make these Electricity Boards more viable and that is why, we have made a provision for calculating depreciation and also enabling the State Government to participate in the Electricity Boards by giving them equity. There may be some misconception that we are trying to see that the loans are converted into equity. It is not the purpose. The purpose is, they may convert the existing loans, or a portion of that loan, into equity or they may not convert the loans but at the same time participate in the share capital of the Electricity Boards. It does not mean that we are going to ask the State Governments to convert the entire loan into equity. That is not our aim. In fact, the provision is that a minimum of Rs. 10 crores can be subscribed to the share capital by the State Government.

SHRI S. W. DHABE: Why not the workers be given the shares?

SHRI P. RAMACHANDRAN: That is a larger question. I think the State Governments have to go into that question. That is a larger question which I am not in a position to answer.

AN HON. MEMBER: In the next session, we are bringing this amendment.

SHRI S. W. DHABE: If we accept it, would you provide for it?

SHRI P. RAMACHANDRAN: I do not think the hon. Member will expect me to say it now. Anyway, that is a suggestion for us to consider.

And then, the hon. Members have made some comments about the idle sources. That is why we have created a cell in the National Electric Corporation to upto-date the data that was made available to us some years ago. It is only to investigate the hydel resources available in the country that we have created this cell and we are also trying to see that the hydel resources in this country are utilised to the maximum extent in the coming years.

In regard to coal, hon. Members have mentioned about the quality of coal. In fact, in the designing of equipment for the thermal power stations, they are now taking into consideration the quality of coal that is available in this country. In this country, the coal available is with a higher ash percentage and it is a natural resource. We cannot afford to disown the natural resources that we have got. So, we must make the best use of the available coal in the country. It is only with this end in view that the equipment manufacturers are advised to design the equipment to make use of the coal that is available in this country. In fact, in regard to most of the equipment manufactured, we try to link the coal

mines or the coal that is available with a particular power station and the boilers are designed to suit that. That is how coal is being used in these power stations.

Then, mention was made by an hon. Member from Maharashtra about the availability of coal in some of the power stations. It is true that for a day or two, one or two power stations have suffered in Maharashtra. But immediately, the Secretary, Coal, had gone there and we tried to sort out the problem. Now, coal is being supplied to these power stations. Of course, adequate stocks are not being built up. But in the coming days, I think, adequate stocks will be built up and there would not be any problem in these power stations. It is our endeavour to see that no power station suffers for want of coal.

Hon. Members have mentioned generally about the problem that this country faces in regard to power. I can assure the hon. House that the Government is alive to the challenges and we hope to meet these challenges in the coming years. For instance, in the last year, 1977-78, we have added to the existing capacity to the tune of 2000 MW. In the current year, we are going to add to the existing capacity to the tune of 3800 MW. So, every year, we are adding more capacity to the existing capacity and the rate of progress will be faster than what it was in the past. This is our aim. In fact, as I mentioned a few months ago, our endeavour is to see that not only new capacities are added to the existing capacity, but that we also improve the performance of the existing power stations. We are devoting our attention to this aspect. In fact, the multi-disciplinary teams are going round the power stations as well as the Electricity Boards to improve the performance of the existing power stations so that the losses could be minimised by the State Electricity Boards. If the existing power stations generate more power and sell more power, it will add to the revenue of the exist-

[Shri P. Ramachandran]

ing State Electricity Boards. This is our endeavour.

Another point which was raised by some of the hon. Members was about the technical terms like capacity utilisation, availability and so on. I would bring to the notice of the hon. House that in this country, with the existing pattern of industrial development as well as consumption, cent per cent capacity utilisation may not be possible. In a power station, power may be available, but the utilisation may not be up to the expectations because at different periods of the day, the utilisation may vary. That is why you find that the capacity utilisation is not up to the mark, is not up to our expectations. Another aspect I would like to mention here is that compared to other countries, in our country, even though the capacity utilisation is only 56 per cent, it is far better than many of the countries in the world. In only 56 per cent, it is far better than many of the countries in the world. In our country, what is called the load factor is carrying 7 P.M. ing in the day. That is why you find that even if the power is available in a particular power plant, you cannot use it all the 24 hours. Another factor that one has to take into consideration is that if a power station runs for 24 hours and for 365 days in a year, you may call it fully utilised. But no power plant can be run throughout the year and it is impossible also because you must set apart some period for maintenance and also for unexpected forced outages.

All these things have to be taken into consideration when you calculate the utilisation part of it. That is why, if I could be permitted, I can even show the figures and compare the plant load factor with some of the developed countries. In developed countries, it is 44 per cent in the USA, 62 per cent in the USSR, 35 per cent in Canada, like that it goes on, and in developing countries, it is 56 per cent

in India, whereas in countries like Egypt it is only 19 per cent and there are other countries like Iraq and Iran where it is only 23 per cent and 42 per cent; like that. So, our utilisation is very well comparable to even developed countries in the world. That is why I would like to draw the attention of the hon. House that before we try to criticise the performance of the Electricity Boards and the power plants, we should take into consideration all these factors. It is only that in view that we have tried to prepare a booklet and circulated it to the hon. Members.

Of course, the hon. Members have not mentioned much about the provisions of the Bill. Some of the hon. Members have welcomed the provisions of the Bill and with these few words I commend this Bill for the acceptance of this House.

THE VICE-CHAIRMAN (SHRI SYED NIZAM-UD-DIN): The question is:

"That the Bill further to amend the Electricity (Supply) Act, 1948, as passed by the Lok Sabha, be taken into consideration."

*The motion was adopted.*

THE VICE-CHAIRMAN (SHRI SYED NIZAM-UD-DIN): We shall now take up clause by clause consideration of the Bill.

*Clauses 2 to 25 were added to the Bill.*

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

SHRI P. RAMACHANDRAN: Sir, I move:

"That the Bill be passed."

*The question was proposed.*

SHRI LAKSHMANA MAHAPATRO (Orissa): Just a few words. Sir, the Minister has tried to tinker

with the financial aspect of the Central Electricity Board, as though the source of all evils lies in the financial management only.

THE VICE-CHAIRMAN (SHRI SYED NIZAM-UD-DIN): Why are you always interested in speaking on the pass motion?

SHRI LAKSHMANA MAHAPATRO: That is the best moment.

I choose this particular opportunity so that it does not go unnoticed. So, Sir, he has tried to tinker with that aspect of the financial management, but I can tell you that there are many more other reasons. You don't have proper control on them. Your project reports are so defective. You do not get the equipment and machinery in time. These are all the reasons why we are at that bad stage of having so much of little production of electricity. Our requirement is much more than the actual production. This is the only country in the world where the *per capita* consumption is the lowest whereas the cost of production as also the tariff is the highest. Therefore, I want to know, after he has done this magic which he proposes to perform by this particular Bill, how will he be able to solve these questions? The first question is that the *per capita* consumption should rise and the tariff should come down.

Then you know that the block consumers of electricity have the greatest advantage. They get electricity at the lowest rate whereas the poor agriculturists are loaded with the highest burden of very high rates of tariff. Not only that, there are many more things which have given us a very sad and discriminatory picture of the treatment meted out to the poor agricultural people. Therefore, I want to know when he will accept the recommendations of the Study Group on Economics which gave its Fourth Report wherein they have said that at least the rural electrification should be subsidised and the tariff rates reduced.

Then it is said that the transmission losses are to be passed on to the poor people because they live at a distance and therefore the authorities lose much. Is it the fault of these people that they could not have enough money and could not come to the towns? Therefore, are they, to be burdened that way? Therefore, the transmission losses cannot be transferred to the poor consumers in the rural areas. That does not fit in with the populist concept of ruralism which I often quote and they also quote.

I also want to know when this illegal power shedding that is going on will end. According to the law, they have to give an advance intimation. The other day I was at Calcutta. All of a sudden, in particular area, the electricity went off. When I asked my friends in whose place I was staying, they said that nothing had been announced. The usual thing was between 9 a.m. and 1 p.m. They had to suffer in these summer months. But that day, between 2 p.m. and 5 p.m. again there was power shedding. This is illegal power shedding and we have raised this matter many a time in this House. As far as Delhi is concerned, we are suffering these days. The day the Minister says that there will be no power shedding hereafter, the next day you find that there is again the worst repetition of this illegal power shedding.

SHRI P. RAMACHANDRAN: Today there was no load shedding.

SHRI LAKSHMANA MAHAPATRO: I am talking of power shedding. When will this come to an end and when will you compensate the consumers whom you cannot make suffer by this illegal load shedding? These are the questions I want to ask. Unless he does all this, he will also have some more scenes like the Tamil Nadu farmers' agitation.

SHRI KRISHNA CHANDRA PANT (Uttar Pradesh): I do not propose to make a speech because, per-

[Shri Krishna Chandra Pant]

haps, if I make a speech, it will be a long one on this subject. Therefore, I will content myself with asking a question. This is an enabling provision. But the States will have to put it into effect. How many States have agreed to this proposal of converting equity into loans and how many have not? How many are opposed to it? This will ultimately determine the fate of this Bill.

SHRI P. RAMACHANDRAN: Sir, as the hon. Member has said this is an enabling provision and after it is passed, then only I will be able to say how many States will be converting a part of the loans into equity. It was only a general consensus that was taken and they have agreed to it and that is why this enabling provision is there.

THE VICE-CHAIRMAN (SHRI SYED NIZAM-UD-DIN): The question is:

"That the Bill be passed."

The motion was adopted.

SHRI LAKSHMANA MAHA-PATRO: Sir, because it was an Electricity Bill, so we could continue till this hour as we wanted it so much. But Customs Bill should go by customs. We cannot sit after 7 o'clock.

SHRI S. W. DHABE: Let it be taken up tomorrow.

SHRI LAKSHMANA MAHA-PATRO: Why should we take it when there are not even 25 Members in the House? What is the meaning of this? You want us to talk at 7 o'clock because such a big Bill is there. Because it was not there before the Business Advisory Committee many people may not have given their names. This was listed, no doubt, for today's business. But it was not there before the Business Advisory Committee. You cannot make us sit for any length of time.

AN HONOURABLE MEMBER: For half an hour we can discuss.

SHRI LAKSHMANA MAHA-PATRO: There are not sufficient number of Members also to run the House. Quorum is wanting. What is the fun?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): Suggestion has come from the hon'ble Member that some time may be earmarked tomorrow. I have no objection to that suggestion. But my humble request to the hon'ble Members is that this particular amending Bill is not a comprehensive Bill on the excise side. A comprehensive Bill has to be brought forward before the House some time later on.

SHRI LAKSHMANA MAHA-PATRO: How it is not a Central excise Bill? It has to go to the Board of Revenue...

SHRI SATISH AGARWAL: I do not want to curtail a debate on the Bill. They may discuss it the whole day, I do not mind. But you fix up some time for the debate tomorrow for this Bill; otherwise it has to be passed today.

SHRI S. W. DHABE: If it is not a comprehensive Bill, if it is a short Bill, it is better to adjourn for tomorrow.

SHRI SATISH AGARWAL: It is for the House, the Leader of the House and the Chair to decide. But my humble request is that if you take up the Bill tomorrow you fix the time, one hour. I want the fullest discussion. All suggestions, all criticisms are most welcome.

SHRI S. W. DHABE: I request the Leader of the House to agree to take it up tomorrow.

SHRI SATISH AGARWAL: This is for the House to decide. You give me some time. I have no objection to it.

THE LEADER OF THE HOUSE (SHRI LAL K. ADVANI): I would only like to point out that when the days were being fixed for the items of business, the Business Advisory Committee decided that the Verghese Committee report about autonomy of broadcasting should be discussed on Thursday. If because of the wishes of the House we put this off for tomorrow, that would mean cutting into that discussion. So far as I am concerned, I have no objection to anything, this way or that way, depending on the wishes of the House. But, as it happened there, that House could not discuss it because of other Legislative Business. I thought that, perhaps, this House would get the full opportunity of discussing it. And if we could complete this Bill today, we would have full day tomorrow for the Verghese Committee report. But if

it is the sense of the House, I have no objection.

SHRI S. W. DHABE: Circumstances were not known to you that time will be taken up till 4 o'clock in some other business today.

SHRI LAL K. ADVANI: The Government is not at fault. Legitimate business has to proceed then. If it is the sense of the House, we can take it up tomorrow—this and the other two motions.

THE VICE-CHAIRMAN (SHRI SYED NIZAM-UD-DIN): The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at sixteen minutes past seven of the clock till eleven of the clock on Thursday, the 18th May, 1978.