

**Title:** Regarding agreements signed with the Enron Power Project for purchasing electricity.

SHRI PRAKASH YASHWANT AMBEDKAR (AKOLA): I would like to raise an important issue and that is related to setting up of the Enron Power Project which is now being talked about throughout the country. Sir, to tie over the balance of payment the Government of India went into privatisation and liberalisation. Now, we are feeling the effects of both the privatisation and liberalisation that we are following in this country. Sir, I would not like to go into the details of the agreement.

But one agreement which was made in 1983 was agitated against both in the courts and in the streets. All those who were fighting along with us in the courts lost the battle at that time, but we won the street battle and the then Government was thrown out. A new Government came into existence in 1995. The people of Maharashtra were hoping that the new Government would undo what the previous Government had done. But, to put the record straight, that Government went a step ahead and not only accepted the recommendations of the previous Government, but also accepted one of the most stringent attachments along with this agreement.

The Dabhol Power Company which was set up by Enron is now charging nearly Rs.9 per unit and for this reason the State Government is now facing the crunch. The State Electricity Board is already on the verge of bankruptcy and the State Government is also on the verge of bankruptcy.

The second stage will start in the month of January or February or March. At that time the State Government and the State Electricity Boards both will be bankrupt and at that time the counter guarantee will also start. I am not going to speculate over here as to what will happen when the counter guarantee starts. The State Government will have to pay nearly Rs.10,000 crore just to purchase electricity from Enron Company.

The manner in which the agreement was brought about is also very important. I am not going to read the whole testimony that was given by the then Vice President of the Global Finances of the Enron Development Corporation Mrs. Linda...

MR. SPEAKER: Are you authenticating the document?

SHRI PRAKASH YASHWANT AMBEDKAR : Yes, Sir. I am authenticating the document.

MR. SPEAKER: Then, you may please lay it on the Table.\*

SHRI PRAKASH YASHWANT AMBEDKAR : The manner in which the agreement was brought about is interesting. I will just read out what she had to say before the House of Representatives of the US in the Sub-Committee of Home Affairs.

MR. SPEAKER: You can lay it on the Table. It is not necessary to read out all these things.

SHRI PRAKASH YASHWANT AMBEDKAR: I will just read out one line for the benefit of the House. She said: "Our Company has spent an enormous amount of Rs.20 million for education in this development process."

MR. SPEAKER: This is not the procedure.

SHRI PRAKASH YASHWANT AMBEDKAR (AKOLA): This has not been included in any of the projects. The time has come to act against this. With certain fraudulent methods this agreement was brought about and by implementation of this agreement it is not just the State Government that will come into trouble, but the Central Government will also come into trouble because the counter guarantee for this project has been given by the Central Government.

\*As the Speaker subsequently did not accord the necessary permission, the document was not treated as laid on the Table.

The State Government is now requesting the Central Government to purchase the total power project, which I am told, the Central Government is rejecting. This has been done in the 13 days of the 1996 Government. May I request the Government to get this document in their hands? Will they go into renegotiations of this document on the project? Will they arrest all those who are involved in selling the State and the country itself?