

[English]

**SHRI KADAMBUR M.R. JANARDHANAN:** Sir, the new Government is very much interested in uplifting the rural area. Therefore, I would like to know that in the new policy for no industry areas, how many panchayat unions will be taken up in every district where there is not even one agro-based industry. Will the Government take up the new industrial policy on that basis?

[Translation]

**SHRI AJIT SINGH:** The Government is formulating the industrial policy and this question is related to that aspect.

[English]

#### **Losses in State Electricity Boards**

\*477. **SHRI RAJAMOHANA REDDY:** Will the Minister of ENERGY be pleased to state:

(a) the names of the State Electricity Boards which are running in losses for the last three years, year-wise;

(b) the details of losses suffered by each during the period; and

(c) the steps proposed to be taken to eliminate or minimise the losses in the current year by these boards?

**THE MINISTER OF ENERGY AND MINISTER OF CIVIL AVIATION (SHRI ARIF MOHAMMAD KHAN):** (a) to (c). A Statement is laid on the Table of the House.

#### **STATEMENT**

(a) and (b). An annexure showing the surplus/deficit of various State Electricity Boards (SEBs) during the last three years is given below.

(c) The State Electricity Boards are autonomous bodies created under the provisions of the Electricity (Supply) Act, 1948. They enjoy full autonomy in their operations and function under the administrative control of the respective State Governments. The need to improve the financial position of the State Electricity Boards has been emphasised to the State Governments. Other steps taken by the Central Government to support the functioning of State Electricity Boards as viable undertakings, inter-alia, include amendments of the statute to make theft of power a cognizable offence, implementation of centrally sponsored renovation and modernisation programme for improving the performance of power stations, introduction of meritorious productivity reward scheme for improved performance of thermal generating stations, introduction of an incentive scheme for reducing transmission and distribution losses.

## ANNEXURE

## Yearwise Surplus/Deficit of the State Electricity Boards

(Rs. in Crores)

S.No.	Electricity Boards	During 1986-87	During 1987-88	During 1988-89*
1	2	3	4	5
1.	Andhra Pradesh	9.00	29.30	47.10
2.	Assam	-51.30	17.20*	119.90
3.	Bihar	4.20	-25.70	-48.43
4.	Gujarat	13.40	24.30	-140.25
5.	Haryana	-61.20	-80.90	-52.13
6.	Himachal Pradesh	-40.80	-16.60	-14.86
7.	Jammu & Kashmir	NA	NA	NA
8.	Karnataka	-74.50	-104.50	-46.40

(Rs. in Crores)

S.No.	Electricity Boards	During 1986-87	During 1987-88	During 1988-89*
1	2	3	4	5

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Oral Answers

9.	Kerala	-5.30	6.80*	-37.10
10.	Madhya Pradesh	94.40	64.40*	80.00
11.	Maharashtra	64.40	73.20*	39.50
12.	Meghalaya	-0.50	2.40*	1.48
13.	Orissa	-3.80	-45.50	-2.98
14.	Punjab	-19.80	-5.00	-58.55
15.	Rajasthan	-24.20	-65.90	-29.48
16.	Tamil Nadu	0.00	33.20	41.30

(Rs. in Crores)

S.No.	Electricity Boards	During 1986-87	During 1987-88	During 1988-89*
1	2	3	4	5
17.	Uttar Pradesh	54.00	66.60	-231.75
18.	West Bengal	-8.20	-26.70	-25.47

\*Provisional/Uaudited

**SHRI RAJAMOHANA REDDY** Mr Speaker, Sir, the agricultural sector is a very important sector where tariff should be as minimum as possible. As such, it may be one of the major reasons for all the State Electricity Boards to incur losses also. Hence, I would like to know from the hon. Minister whether the Central Government proposes to take up the responsibility of helping the farmers by supplying power at reasonable and subsidised rates through State Electricity Boards, and whether any proposals have been received from the State Governments to that effect. If so, what is the action taken by the Government of India?

**SHRI ARIF MOHAMMAD KHAN** Sir, the Central Government have not received any proposal from the State Government and as I have stated in my reply, the State Electricity Boards enjoy full autonomy. They have been created under the provisions of Electricity Supply Act, 1948 and they enjoy full autonomy in operations and functions under the administrative control of the respective State Government. But as far as rural electrification programmes are concerned, assistance is extended by the Central Government to the State Electricity Boards through the State Governments.

**SHRI RAJAMOHANA REDDY** Sir, as you know, the Rural Electrification Corporation has been funding rural electrification throughout the country to all State Electricity Boards with different norms and charging huge interest on loans. I would like to know whether Government are aware that the State Electricity Boards, with the loans released under the Rural Electrification Corporation schemes, do not even earn the revenue needed to pay the interest depreciation or cost of power. I would also like to know whether some State Electricity Boards including Andhra Pradesh have requested the Government of India to evolve a uniform policy of funding rural electrification especially the pumpset energisation, to relieve the Electricity Boards from financial burden either by way of reducing interest rate on all loans to State Electricity Boards or rescheduling the loan-structure so that loan repay-

ment is postponed during the 8th Plan period.

**SHRI ARIF MOHAMMAD KHAN** Sir, this is a question which generally deals with the loss which are being suffered by the State Electricity Boards. I am not in a position to respond to the specific question as to whether we have received any proposal from the Andhra Pradesh State Electricity Board about the restructuring of the loss or repaying the loan or the rate of interest. But I will supply that information to the hon. Member.

[Translation]

**SHRIDAU DAYAL JOSHI** Mr Speaker, Sir, the total amount of loss suffered by all the Electricity Boards is more than Rs. 100 crores. In view of this fact, will the hon. Minister allow the participation of private sector industries in power generation? Besides it the hon. Minister may also state whether Tata Industries engaged in power generation in Bombay is also incurring losses like other Electricity Boards? Are all the Electricity Boards in the Public sector running into losses or the Electricity Boards operating under the private sector are also running into losses? Besides, the hon. Minister may also state about losses incurred on account of line losses.

**SHRI ARIF MOHAMMAD KHAN** Mr Speaker, Sir, it is a fact that several State Electricity Boards are running into losses but there are many reasons for these losses which are beyond the control of the Electricity Boards. However, there are various other factors which are under the control of the Electricity Board and in case those Boards make efforts in this regard, they can minimise their losses. For example the average cost of power generation is 97 paise per unit whereas the rate being charged for the supply of power to agriculture sector all over the country is 16-13 paise. The overall average of rate charged in respect of industry, agriculture, business establishments and domestic use is 74-4 paise. Similarly there are various other reasons, here I have made a

mention of only one reason. The second question of the hon. Member is whether the private sector company engaged in power generation and power supply in Bombay are also incurring a comparable amount of losses? I think we should not compare the private power generation units running in a metropolitan city with any state Electricity Board because the private company operating in metro city like Bombay do not have to supply a part of their power for the use of agriculture sector. Besides, there are many other social factors which are taken into consideration by the State Electricity Boards but not by the private companies. So far as the question of participation of private companies in power generation is concerned, there is no legal restriction on it but the conditions laid down for this regard, perhaps do not encourage the private power generation companies. However, there are certain proposals under consideration of the Government and the conditions laid down therefor are being revised to a large extent to seek the increased participation of private companies in power generation.

[*English*]

SHRI K.S. RAO: Sir, while giving the reply, the hon. Minister was telling that because of the autonomy given to the various Electricity Board, this is happening. Power generation is an important sector or a key sector for the progress of any nation. Having seen the experience of the failures of various Electricity Boards causing loss of thousands of crores of rupees every year, which has got impact on the sickness of the industries, price escalation and so many other consequential effects, will the Minister think in terms of bringing a legislation to discourage such autonomy which is misused or the authority which is misused, or encourage the private sector to come in a big way in power generation?

SHRI ARIF MOHAMMAD KHAN: Sir, the State Electricity Boards have functional autonomy. But they are under the administrative control of the State Governments. I have already stated, Sir, in reply to the

previous supplementary that proposals are under the consideration of the Government so that certain relaxation can be made as far as the existing conditions are concerned to encourage participation by the private sector in the development of power programme.

[*Translation*]

SHRI JANARDAN YADAV: Is it true that the funds allocated by the Central Government to Bihar Electricity Board for rural electrification is not spent on rural electrification but on certain other heads?

AN HON. MEMBER: There is large scale bungling in Bihar. Please allow us to ask question.

SHRI ARIF MOHAMMAD KHAN: We can tell you about only those reasons for losses in State Electricity Boards which have been detected by the Central Government and the Central Electricity Authority but it will not be possible for us to tell you about all the reasons of losses in any particular state or all the Electricity Boards in the country. The hon. Member belongs to that particular state, so he can tell us about the reasons for losses. However, whatever we can do in this regard, we shall certainly do that.

Secondly, we receive complaints regarding the funds to be allocated for rural electrification. We are keeping a close watch on it and making all out efforts to ensure that funds allocated for rural electrification are spent on it.

[*Translation*]

#### **Allotment of Petrol-Diesel Pumps and LPG Agencies to SCs/STs**

\*478. SHRI SATYNARAYAN JATIYA: Will the Minister of PETROLEUM AND CHEMICALS be pleased to state:

(a) the policy of Government in regard to allotment of new petrol/diesel pumps and L.P.G. agencies;