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## Low cost Infrastructure in Energy Sector

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**HOW TO CREATE LARGE NUMBER OF JOBS THROUGH SMEs WITH SUSTAINABLE BUSINESS PLANS AND FINANCIAL PLANS TO OFFER LOW COST INFRASTRUCTURE IN ENERGY SECTOR**

**CAN INDIA LEARN TO UNLOCK THE POTENTIAL OF ENTREPRENEURS AND SET A NEW BENCH MARK TO THE WORLD TO ELIMINATE THE CRONY CAPITALISM**

- BY MR. PRAVEEN KUMAR KULKARNI

**PREAMBLE:** Since Independence India did promote more number of Public Sector Undertakings to provide Infrastructure at low cost for the Socio Economic Benefits in energy sector. Due to inefficient administration and lack of accountability, the PSU Monopoly did not yield good results as it was expected and we failed to achieve the much needed Energy Independence nor we could achieve any of the 5 year planning targets, till date.

However, due to Economic Liberalization, we could end up in Crony Capitalism with high cost of Energy and its raw materials with a heavy burden on the Common Man apart from huge tax loss and without Equity investment (due to subsidies or tax evasion policies etc) nor even paying the huge debt by the large private companies (read as Monopolistic and Predatory pricing mechanism without sustainability and transparency), through policy making by defeating the basic democratic principles despite having Continued UPSC (Union Public Service Commission) recruited IAS (Indian Administration Service) OR State Government Administration Service as the Policy making authority with the name sake support of Experts / Advisors, which have caused such low Economic growth with high amount of Corruption despite regulatory bodies / Democratic Institutions.

It is now very important to revisit the Contracts awarded in Fossil fuel Business promotion with Transparent policies with Financial Numbers and Business plans so that SME sector under umbrella of large companies can be addressed the following way as India is having Energy Deficit of FIRM Energy Generation:

a). Coal mining:

State Government (Centre as a defacto party) is the owner of resources and shall call for tenders for the Mining with large machinery and technology deployment with SME companies as sub suppliers with rental machines so that Investment from the SMEs can be reduced with low cost man power with safety precautions with UNIFORM MINING specifications to be followed by all SMEs with such LARGE MINING COMPANIES (hire at least Four to 7 world's largest cos with credentials of Technology supply and transfer of technology) with a Transparent and FIRM Price and Fuel Supply agreement with yearly escalation clauses to compensate the Inflation, thus, no dictation of Fuel prices in connivance with Government Ministers, Crony Capitalists or International Coal Mafia etc... This will eliminate companies like Reliance showing high CAPEX (as per media / news reports etc) and increasing the Gas price by FOUR TIMES or so.

b). This will avoid Monopoly of COAL INDIA or Politicians owning the Mines, instead, the Mining Contracts to SMEs with rented machines and approved mining plans with proper technology and Third party certification to avoid pilferage or quality issues etc (Contract Renewable Every two /three years depending upon performance)....

c). Each State shall go for such transparent bidding including owning the machineries rented to the SMEs who shall be made responsible to pay for Maintenance charges from the OEM of such NICHE machineries deployed. This ensures output, good quality working conditions in all mining locations with uniform work procedures including safety to avoid danger to the human life.

d). This will also avoid the duplicity or irrational Central Government Policy based Project Development and also further detrimental State Government Policy based Project Development, only with the aim on Elections or Crony Capitalism etc. instead, on the NATION FIRST concept, we can evolve UNIFORM specifications and procedures for the development of Each Taluka / Village, after all the Project will be located in a Village area, which is a State Government Subject with Concurrence and Sovereign Guarantee from the Central Government which shall act as a Facilitator with Election Funding from the Centre to avoid Centre Sponsored Schemes etc or part of these project proceeds can be allotted as Election Funding with transparency with Limited Terms (say 3 terms per MP in their life time per family).

If no new Projects in their tenure of 5 years in their Constituency, then, no funding to the Parties, as no development offered in 5 Year term. Thus, each new project (s) can thus can provide a small percentage depending upon the Election Commission's Fund expense restriction to the Parties who win more than 20% of polled votes. The Parties those who can't win 20% of polled votes, have to have their own funding, thus, a low cost mechanism on election funding through Development Agenda through Entrepreneurs and people of the area.

**OIL and GAS EXPLORATION:**

a). Similar kind of Exploration methods as suggested in Coal Mining with many SMEs to own wells with production sharing contract with UNIFORM PROCEDURES as explained in Coal Mining, thus, the companies like Reliance and its Fictitious CAPEX (as per news reports or Media reports or CAG audit duly pending etc) can be eliminated at once and people need not siphon CAPEX money to stay in 25 storey buildings etc

**RENEWABLE ENERGY GENERATION:**

a). Through many local taluka level entrepreneurs with open and transparent business model with low cost 100% debt finance with financials to provide 5 to 10 laksh/year/MW after paying loan installment, interest and expenses can easily be devised and in a more decentralised way we can easily harness over 100,000 MW solar PV till we find a better storage technology with less cost on evacuation and also low tariff due to the absence of Return on Equity or No Accelerated Depreciation (AD), no VGF or such election funding

schemes.... hence, public participation at large along with creation of Large number of Entrepreneurs and boost to the Good EPC companies to assure energy generation with sustainability. Huge Job creation opportunities...

b). Same suggestion made for Solar PV project, applies to Wind, Biomass and Mini Hydro Power projects.

c). MSW projects (without exhaust gas risks) shall be owned by Municipal Corporations and not by private parties to avoid quick subsidy sucking business model to increase the tariff and also run away from epidemic risks or huge health risks due to such sub contracting.

INDIA can first learn to adapt the method of paying taxes by Corporate to have Engineering Excellence and provide ways for SMEs and many Entrepreneurs in their region to serve the Nation and not to succumb to NUMERO UNO disease i.e dreaming Monopoly and spoil the health of National Economy through 543 MPs or few thousand MLAs... Instead, every Entrepreneur shall have the equal opportunity with defined business and finance model with easy access to low cost finances, which can be met with tax receipts as the SUBSIDIES (like capital subsidy etc will go away with interest subsidy and 100% debt funding, hence, loan repayment will also take place... all the dirty games through Subsidy or AD or such schemes are due to tax evasion and non availability of Finance to the SMEs at low cost as the ideas do exist for low cost solutions.....)

I think Germany, USA, CHINA can learn from INDIA rather than INDIA learning always from others. This is entirely in our hands as learned Citizen of INDIA with a proper education to the POLICY MAKERS.



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