CHAPTER NINE
CHAPTER IX
CONCLUSION

Fifty years working of Indian democracy on socialistic pattern of mix development resulted into enormous rise in size and number of public sector enterprises in India. Post 1991 Paradigmatic shift in approach for development in economy necessitated the complete review of all the tools of economic development. In this context of liberalization and privatisation the working of public enterprises in power sector is very crucial for development. Hence this research study on 'Administration, Organization and Management of the Maharashtra State Electricity Board with Special Reference to the Aurangabad Circle'.

M.S.E.B. has been constituted as a body corporate with perpetual succession under section 5 of the Electricity (Supply) Act 1948, for the purpose of generation, supply and distribution of electricity within the state in the most efficient and economic manner. The Board is expected to work on commercial lines, but public interest has to be its governing principle.

The whole edifice of modern life is built upon energy. Energy is precondition of all commodities in the life. It is a fundamental factor with air, water, and earth. This vital for production factor in economy and hence indispensable for the substantial development. The economy the environment and the social welfare the issues like perception consumption non-commercial energy power demanding pricing transmission and distribution etc. are closely
related with power.

Ministry of power in India is concerned with the perspective planning policy formulation processing of projects for investment decision monitoring and implementation of power project training and man power development enactment of legislation even though electricity is a concurrent subject in list III of VII schedule of constitution. It was under the regime of the Prime Minister P. V. Narsimha Rao power reforms in India was incited and latter his predecessor carried it ahead; but still lot of thing are expected in order to make power sector viable.

The M.S.E.B. is controlled by a Governing Board which has a chairman and six other member appointed by the State Government. The success of the M.S.E.B. depends upon the ability and experience of this governing body. The Board functions as a team, members are appointed for a term of three years and are eligible for reappointment. They can be removed or suspended by the Government.

The functions and the powers of the Board of the M.S.E.B. cover wide range of activities. The Board has general duty of overall control of the activities of M.S.E.B.. All important policies are made by the governing Board. All important appointment of the personnel are done by the Board. The decisions on financial matters are also taken by the Board. All regulations are also prepared by the Board. In carrying out its functions the Board has number of restrictions and limitations.
The State Electricity Consultative Council is constituted by the State Government to assist and help the governing Board of the M.S.E.B. on various matters. The Local Advisory Committees are also constituted to give advice to the local M.S.E.B. officers.

In order to avoid delays and achieve greater administrative efficiency, the Board has appointed a number of committees like standing committee, finance committee, planning and progress committee and general committee. These committee deals with specific problems and reports to the Board. This experience of committee system has proved to be very useful and successful in the M.S.E.B..

The administrative set up of the M.S.E.B. included the Head Quarter, field offices, the circle offices, the divisions and sub-stations spread through out the Maharashtra state. The Head Quarter of the M.S.E.B. is situated in Mumbai. It is the supreme administrative agency which coordinates and controls activities of all other offices. The Head Quarter has four departments namely - Secretary department, Accounts and Audit department, Technical department and Vigilance and Security department.

The field offices are the main implementing machinery of the M.S.E.B.. These offices are divided into a number of circle office each circle is divided into number of divisions and each divisions is divided into subdivisions. The circle office is the most significance organization. It is truly middle management of the M.S.E.B.. It is under the control of Superintending Engineer, division occupy a control position in the administrative structure of the M.S.E.B.. It is controlled
by an Executive Engineer. Divisions are divided into subdivisions and substations. A substation is the bottom level office in the M.S.E.B. and is under the control of a Junior Engineers or a Sub - Engineer.

The M.S.E.B. has considerable amount of autonomy in the matter of personnel administration. It frames its own recruitment promotion and other personnel policies. The recruitment system includes both direct and indirect method of recruitment. From time to time the Government of Maharashtra issued directives to the M.S.E.B. regarding recruitment policy and reservations for S.C., S.T., N.T., O.B.C. and others. The directives are binding on the M.S.E.B..

Training of the technical and nontechnical persons is also given an important place in the personnel administration of the M.S.E.B.. At Nasik and several other places training centres of the M.S.E.B. are providing training to different centres of the M.S.E.B. are providing training to different categories of the staff. Emphasis is also given to formal training through lectures seminars workshop and short term training courses.

A very sound and efficient retirement policy suitable to a public enterprises is followed by the M.S.E.B.. A number of retirement benefits like provident fund, employees pension fund, gratuity schemes etc. are available in the M.S.E.B.. In addition to this several welfare schemes like staff welfare fund, bonus sports and recreations facilities are also made available to the employees of the M.S.E.B..

M.S.E.B. is incurring large losses resources crunch not only lead to delay in capacity additions, there by increasing energy shortage and cost of power
generation but also affect the performance of exciting capacities. This had emerged as a major constraint on the reforms of power sector. To change this sorry state of affairs measures will be needed on all fronts, particularly improvement in technical performance and managerial efficiency. Tariff increase are crucial issues, having bearing on economy efficiency and effectiveness of M.S.E.B. through efficiency improvement and corrective measures on policy related matters like agricultural tariff and capital structure. M.S.E.B. could improve its net surplus. It would make the Board self-sustaining even without government subsidy and enable it to finance capacity expansion programme at least partially from its own resources which would reduce the amount of borrowing. That would further reduce cost of supply by cutting down the annual interest burden more importantly it could solve the serious problem electricity Boards are facing today in attraction private capital. The Board would become accountable to the private investors and it could attract independent power producers without any government guarantee or escrow account from the financial institutions.

Union are organizational design to protect and enhance the social and economic welfare of its member. Trade union in the M.S.E.B. have that played a very significant role in deciding major policies and programmes relating to the large number of M.S.E.B. employees of different categories. There have been several occasions of conflict and contradictions between the employees union and the management. Most of the times the management had to accept and yield to the pressure of the trade unions. But some times the unions have withdrawn
their agitation to accommodate the views of the management. Thus this is the story of the give and take between the trade union and management which it seems is unending.

The government controls the activities of the M.S.E.B. in order to keep its policies and programmes in line with the general policies of the government and to coordinate them with the overall national plan. The control mechanism in democratic setup is always in the hand of elected representatives of people. Political interference in technical terms is cloathed in concept of ministerial responsibility. In the working of the public enterprises legislative control is major relief from the excessive and undue ministerial interference in working of M.S.E.B.. The control mechanism is often a functionality and many times its dysfunctionblity is also evident.

The present organizational structure of M.S.E.B. with centralized management to frame policies the major asset of M.S.E.B.. The sound structure with well coordinated managerial orientation was major sustaining force of M.S.E.B. in its time of turbulence. M.S.E.B. has infrastructure to meet the demand of over 12000 MW electricity of the state. M.S.E.B. is having strong generation capacity with most competitive grid management system. Project management is the forte of M.S.E.B. which is evident from its programmes for capacity addition. M.S.E.B. has expertise in field of planning creation commissioning of HVDC 400 KV, 220 KV, 132 KV sub stations and lines. M.S.E.B. is having a sound and competent human resources of its credit sincere tolerant employees in
house training programmes computerised billing system are its other assets.

In spite of all this assets M.S.E.B. is in carrying losses. This is major constraint for reform of power sector, irrational tariff structure, political interference at all levels, enormous line losses and theft of energy (e.g. mulapravana society) unavailability of washed and improved coal for blending to M.S.E.B. TPS failure in fixing responsibility and accountability, bureaucratic working slow pace of transition from social organization to commercial organization, no voluntary retirement scheme, no provision of pension scheme are issues which need urgent attention reforms in generation transmission and distribution wing only will help M.S.E.B. tackle the present sorry state of affairs. An multidimensional strategy at all levels is the only panacea available that can bring efficiency economy and effectivity in the organizations and working of M.S.E.B.

Suggestions:

In order to improve the sorry state of affairs in M.S.E.B., adoption of multidimensional approach is indispensable. The suggestions given here are not in nature of solutions; but are rational alternatives. They will aid in analysis of judgements; judgement is supreme ultimately.

1) Maharashtra State Electricity Board be unbundled into three companies one for generation, other for transmission and the third for distribution. The assets and liabilities of the M.S.E.B. should be allocated to these companies. Transmission company must be retained under state ownership in order to ensure fair and equitable access to these services where a distribution must be privatized,
it will help in rapid reduction of the extent of theft and inefficiency and will
realize better value for government. In order to stabilize distribution companies
generation must be privatized at the same time proper care must be taken to
ensure resource generated from the sale of generation assets not be used be the
government to support its own budgetary requirements. At the same time the
Regulatory Commission must take proper care to prevent the emergence of
monopolistic elements in generation company. For organizational improvement
and managerial viability government must introduce an element of competition
in market structure for electricity which 50 years of experience had taught us
cannot take place under state ownership.

2) Energy audit must be carried out regularly, it must progressively move
from the division level to the ground level of substations. The nature of this must
be fact finding and not fault finding. Cash collection and information relating to
cash collection must be improved. M.S.E.B. should develop effective management.
Information system which will match the metering date with cash collections for
the area in order to avoid the theft of power. All age wise analysis of receivable
should necessarily be carried out on regular basis and bad debts provisions be
rationalized in order to improve the extent of commercial receivables.

3) In order to rationalize employee functions reallocation of functions
may be carried out. From staff function to field position, to customer service or
for the maintenance function. This will help in inservice orientation training for
employees. Incentive schemes, Pension scheme and VRS must be introduced,
special care should be taken for Human Resource Development.

4) For curtailment of power theft the existing legal provisions are inadequate. Suitable laws must be enacted which will help in bringing culprit to book. M.S.E.B. must undertake campaigns to regularize the unauthorized connections, all the meters that are faulty or tampered must be replaced by tamper proof designed meters.

5) M.S.E.B. must take steps such as, power factor improvement, energy saving ways and introduce innovative cost effective tariff in its reforms agenda.

6) Political interference in working must be curtailed at the same time, element of transparency must be introduced to avoid the volteface as witness in Enron etc..

All this will require a strong will to take decision against all odds that only will decide the course of development. What is important is not where you stand but ultimately in which direction you are moving.