

CHAPTER I

INTRODUCTION

Rural Electrification

1.1 Development of infrastructural facilities is an essential condition for rapid economic growth of a region or of an economy in any developing country. Rural electrification is one such aspect of infrastructural development which makes the situation conducive to the expansion and intensification of the economic activity in rural area. Like most other infrastructural facilities the generation and distribution of electricity in India today is also the responsibility of the public authority.

1.2 Rural electrification programme has been receiving increasing attention in the development activities of the different states for a decade or so. As per the 4th plan document (1969-74) of the Planning Commission, Government of India, "the rural electrification has received increasing importance and the energisation of irrigation pumpsets forms an important programme under the rural electrification". The need for making available the facilities for a greatly accelerated and extensive use of electric pumpsets for irrigation led to the formation of the Rural Electrification Corporation during the fourth plan period. The draft report of the fifth five year plan states, "Rural electrification has been receiving considerable importance and has been pursued vigorously at both Central and State levels." In fact, under the revised minimum needs programme the 'norm' is to cover at least 50 per cent of the villages in every state and Union Territory in a phased manner. In the early stages the emphasis was on village electrification; however, of late the emphasis has changed from village electrification to energisation of pumpsets. From the above accounts it appears that the approach of the Government towards rural electrification is more in the nature of creating the facility so that people will be encouraged to use it, and this facility will help towards the overall development of the rural area and towards the betterment of the rural life. As mentioned above this aspect was underlined by making rural electrification a part of the minimum needs programme in the fifth plan as also in the current plan. However, against this massive programme of electrification of the rural areas, the finances available to the State Electricity Boards were inadequate. The financial institutions, like banks, also could not be