

MR. DEPUTY SPEAKER : *Motion moved :*

“That the Bill be passed.”

PROF. N.G. RANGA (Guntur) : Sir, on the Third Reading, I will say a few words. I am glad that you have decided to be more loyal in this House than to any other allegiant because when the Speaker and the Deputy Speaker were elected, they became the officials of this House and they were not expected to be any longer subject to any other discipline outside this House. I am glad that you have respected our decision as well as our wish. I congratulate you. I congratulate the Minister also for having brought forward this Bill and getting it passed now at this stage. I would like to sound one warning only that is in regard to the need for taking effective steps through the authority that is going to be established by this Bill and also otherwise to ensure that the minimum prices are not only prescribed but also are maintained so that the peasants are always assured of minimum remuneration for their production. Thank you.

RAO BIRENDRA SINGH : Sir, I have already explained the intentions of the Government. Whatever my hon. friend Mr. Ranga says is certainly acceptable to us. This is the purpose as I have already stated before the House but we want to ensure that whatever remuneration and incentive prices for increasing oilseeds production are fixed by the Government, there should be mechanism for implementation and enforcing that decision and that is why facilities for marketing, storage, etc. have been provided to be taken up by this Board that is going to be set up.

MR. DEPUTY SPEAKER : The question is :

“That the Bill be passed.”

*The motion was adopted.*

17.50 hrs.

ELECTRICITY (SUPPLY) AMENDMENT BILL

THE MINISTER OF STATE IN THE MINISTRY OF ENERGY (SHRI CHANDRA SHEKHAR SINGH) : Sir, I beg to move :

“That the Bill further to amend the Electricity (Supply) Act, 1948, be taken into consideration.”

Sir, I am thankful to you for giving me this opportunity to present this Bill before the House today. We have been greatly concerned about the performance of the power sector, which is so crucial for the progress and development of the entire economy. This House has been discussing the various issues relating to this sector and we have expressed our deep concern that it is important that it makes its proper contribution to the economy, both in terms of generation of power and in terms of resource mobilisation for the entire economy, particularly for the power sector itself.

In the new 20-point Programme also particular emphasis has been laid on the improved financial working of the State Electricity Boards and it is receiving the attention of the Government at all levels. This amendment is a very important measure in the direction of streamlining the financial performance of the State Electricity Boards.

The Electricity Supply Act, 1948 gives a statutory basis for the functioning of the State Electricity Boards and lays the basic framework for the constitution, functioning, financial performance and accounts of the State Electricity Boards. The 1948 Act started with the concept of “No loss” But, in 1978 amendments were made, designed to bring the capital structure and accounting practices of the State Electricity Boards in conformity with their functional responsibilities. The 1978 Amendment envisaged that the State Governments should specify the quantum of surplus for each State Electricity Board. But the present position is that no State Government has so far specified this surplus, according to section 59 of the Act and the old situation persists.

Secondly, we have found that there are wide variations in the classification and

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presentation of accounts so that it is difficult to make inter-Board comparisons and review their financial performance.

Thirdly, there are apparent inconsistencies in some sections of the Act. Basically, the Act lays down that the accounting system would be on the basis of accrual system, but some sections of the Act lead to some confusion. The result is that there is multiplicity of interpretation and the old system of cash basis continues even today.

Moreover, we have entered into certain agreements with the World Bank for R.E.C. loans, Credit 2 and Credit 3. They have also, time and again, made it a condition that uniform commercial accounting system should be introduced. This is a healthy practice and there can be no objection to it. Therefore, this measure has been introduced in this House.

Sir, I would like to recapitulate the events leading to this amendment. In 1964 the Venkataraman Committee made a recommendation prescribing a gross return of  $9\frac{1}{2}$  per cent on net fixed assets which include 3 per cent profits, 0.5 per cent of general reserves and 6 per cent for interest. The present amendment is only a statutory formulation of the Venkataraman formula. The added strength is that this practice has been in vogue for more than a decade in all the State Electricity Boards and there should be no difficulty for the State Electricity Boards to follow this system. Further, the amendment to other sections, Sections 67 and 68 and the introduction of a new Section 67A aim at bringing the accounting system in line with commercial practices and re-arrange the priorities for the distribution of surplus of the Boards.

The lack of uniformity in the manner of classification and presentation of accounts of the Boards renders inter-Board comparison difficult. Section 69 should be amended with the purpose of introducing a uniform

system of classification and presentation of accounts by empowering the Central Government to prescribe the forms in which the accounts and records are to be maintained by the Boards, in consultation with the Comptroller and Auditor General and the State Governments.

So, now a uniform commercial format is to be prescribed by the Central Government after this consultation and this would be followed by all the State Electricity Boards.

Sir, I would like to add that the draft amendments were circulated to all the State Governments, they were taken into confidence and consulted on these proposals and they have generally agreed to these amendments. I would only like to add that the State Governments or the State Electricity Boards have agreed under Rural Credit III Agreement with the World Bank for more stringent conditions for internal diversion of resources. But we are at present adhering only to the old Venkataraman formula which is already in practice and therefore, the State Governments have generally agreed to our proposals.

I do not want to add anything more at this stage. With these words I move.

MR. DEPUTY SPEAKER : *Motion moved :*

“That the Bill further to amend the Electricity (Supply) Act, 1948 be taken into consideration.”

Now, Mr. Satyagopal Misra may speak.

SHRI SATYAGOPAL MISRA (Tamluk)\*\* : Mr. Deputy-Speaker, Sir, I totally oppose this Bill.

MR. DEPUTY SPEAKER : Mr. Satyagopal Misra, you can continue tomorrow. You will be on your legs till tomorrow !

\*\*The original speech was delivered in Bengali