

12.34 hrs.

### ELECTRICITY (SUPPLY) AMENDMENT BILL

The Minister of State in the Ministry of Irrigation and Power (Shri A.agesan): On behalf of Hafiz Mohammad Ibrahim, I beg to move:

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

Sir, I would like to take this opportunity to explain the main objective of the amendment proposed to be effected to the Act through this Bill. The Electricity (Supply) Act, 1948, provides *inter alia* for the constitution of State Electricity Boards for undertaking the business of generation, supply and distribution of electricity in the State. The erstwhile Government of Bombay constituted such a board for its State on 1st February, 1957. The State Government, however, retained the work of construction of the Koyna Hydro-Electric Project which is being financed by a loan from the International Bank for Reconstruction and Development with its departmental organisations. The intention was to transfer the project to the Electricity Board on completion. Accordingly, the project agreement entered into between the State Government and the Bank *inter alia* provided that; as and when the facilities included in the project are commissioned for operation, the Government of Bombay shall transfer them to the Electricity Board (or to any other competent authority constituted for the purpose of operating the project), and shall take all steps necessary to ensure that such transfer is made on terms and conditions which will enable Bombay to perform or cause to be performed its obligations under the project agreement in respect of the project.

The agreement also provided that the rates for the sale of electricity generated by the project would be fixed at such levels as would ensure that the earnings of the project after providing for all operating expenses

including taxes, adequate depreciation, interest and repayment of loans and advances ascribable to the project, allow a reasonable margin for financing the expansion programme of the board. In other words, a commitment was made for charging such a rate for supply of electricity from the project as would cover not only repayment of loans but also yield funds for further development.

The provisions of the Electricity (Supply) Act, 1948, as they stand at present, do not permit repayment of loans of this type from the revenues of the board, and hence no such amounts can, under the statute, be taken into account in the fixation of the rates of supply. Consequently, it was felt that an outright transfer of the project to the board under the existing provisions of the Act would not permit compliance with the conditions stipulated in the agreement with the bank.

The Advocate-General of Bombay advised that the difficulty could be overcome by transferring the project to the board on lease on terms and conditions laid down in the agreement. The Ministry of Law and the Attorney-General of India, however, expressed the view that the existing provisions of the Act would not permit the project being handed over to the board on lease.

The Bill before the House, has therefore, been designed to amend the Act to enable the Boards to take such projects on lease for operation and maintenance. In brief, this amendment, as I have already stated, has been found necessary to enable compliance with the agreement entered into between the erstwhile Government of Bombay and the International Bank for Reconstruction and Development.

Sir, After the introduction of the Bill, the Government of Maharashtra brought to our notice that they would like to hand over the Koyna Hydro-electric project to its State Electricity Board in parts, as and when the various machines therein and the trans-

[Shri Alagesan]

mission lines become ready for commercial use. The Bill as introduced did not envisage handing over these assets in parts. In view of the representation received from the Government of Maharashtra, it has been found necessary to slightly modify the provisions of this Bill. This amendment will also come up for the consideration of the House.

With these words, I commend the Bill for the consideration of the House.

**Mr. Speaker:** Motion moved:

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

**Shri Shivaji Rao S. Deshmukh (Parbhani):** I wish to give oral notice of an amendment to section 20A which is newly proposed.

**Mr. Speaker:** I do not receive oral notices.

**Shri Shivaji Rao S. Deshmukh:** I shall put it in writing and send it on to you. I hope that I shall be able to move it before the discussion starts.

**Mr. Speaker:** Now, we are at the consideration stage. When we take up the clause-by-clause consideration, then the hon. Member can remind me.

**Shri U. M. Trivedi (Mandsaur):** The Statement of Objects and Reasons appended to this Bill says:

"The loan agreement with the International Bank provides that the rates for the sale of electricity generated by the project would be fixed at such level as would ensure that the earnings from the operation of the project would after providing for all operating expenses, including taxes, adequate depreciation, interest and repayment of all loans and advances, allow for a reasonable contribution towards the cost of expansion of power facilities of the Electricity Board."

Now the manner in which it is contemplated to be run is nowhere suggested. All these things will not be fulfilled. The Minister has not been able to explain that a situation has arisen that all these commitments that are embodied in the agreement are not going to be fulfilled or that we are apprehensive that they are not going to be fulfilled. I would have very much liked him to enlighten the House on this point as to how he became apprehensive, why this apprehension has grown, if at all, and if a mistake had been committed, how it had been committed.

The other question that arises is that an amendment to the Electricity (Supply) Act is sought. In the Defence of India Act, there are already provisions for requisitioning outright any particular property if it is contemplated. The Electricity (Supply) Act cannot stand in the way of our taking such action. So why has it been found necessary to have an amendment to the Electricity (Supply) Act? This also has not been explained. In these days of emergency, we might have emergent legislation, but even such legislation would require consideration. We cannot in a slipshod and haphazard manner bring in legislation for which there is enough scope at other places. Why should there be duplication of legislation in this way?

I will read out further from the statement of objects and reasons:

"An out and out transfer of the project to the Board would involve transfer to the Board of the liability of the State Government regarding the payment of interest and principal of the loan. The Electricity (Supply) Act does not permit such payment from the revenues of the Board and hence such payment cannot be taken into account in the fixation of the rates of supply".

I do not know how the acquisition proceedings in respect of any under-

taking, if it is formulated, can be prevented under the Defence of India Act. We had requisition of any member of these projects and electric power houses even during the last war. What prevents us from requisitioning them and then making an arrangement for leasing them? This could have been done by the Government of India, instead of throwing the burden from the Koyna Hydro-electric project to the State of Maharashtra, from the State of Maharashtra to the Electricity Board and from the Electricity Board again to the Maharashtra State, and then making a law here. All this rigmarole of law-making is something which is really astonishing.

Then:

"An outright transfer of the project to the Board would, therefore, stand in the way of compliance with the stipulations in the loan agreement with the Ban'.

That again is a question. Why should it stand in the way of compliance with the stipulation in the loan agreement? Have Government found out that the Koyna project is not going to undertake it? Is it thought that the Koyna project is entirely a losing concern or they are going to make a heavy loss on it? What have been their grounds which have actuated Government to come round and make this suggestion that we cannot comply with the loan agreement made with the International Bank? We took the loan, we calculated everything. We had experts who studied this question of electricity to be produced. The electricity may be supplied at a cheaper rate or at a higher rate. All these things are within our hands. Then depreciation, taxation, interest, repayment of loan—all these consideration always weigh with every businessman who deals with a commercial transaction. All these must have been taken into consideration.

In these days of emergency, the House is in a mood to give whatever powers Government want, but at the

same time, it does not look nice to proceed in this way. To me it looks that we are working in a panic. There is no reason for working in panic. We should apply our mind very peacefully and after consideration place measures before the House. These measures should not appear to be ridiculous.

The statement of objects and reasons goes on:

"It is proposed to overcome the difficulty by empowering the Board to acquire the project on lease".

What prevents Government from acquiring it wholesale? I see no reason whatsoever.

Otherwise, there is not much in this Bill which is a very simple Bill and comprehensive and it gives Government all those powers. But I would like the Minister to enlighten the House as to why this measure has become necessary and what caused apprehension in Government's mind necessitating this Bill.

Shri Nambiar (Tiruchirapalli): I also voice the doubts raised by my hon. friend, Shri U. M. Trivedi. The mere reading of this Bill and the explanation given by the Minister makes me feel that there is something fishy about it. It is not exactly that the Minister wants to fill up a legal lacuna. It is something more. Why? Because there is a contradiction here. It says:

"... after providing for all operating expenses, including taxes, adequate depreciation, interest and repayment of all loans and advances, allow for a reasonable contribution towards the cost of expansion of power facilities of the Electricity Board".

It has to be provided for. That means there must be some money left over for the purpose of allowing expansion. In the next sentence it is said:

"An out and out transfer of the project to the Board would in-

[Shri Nambiar]

volve transfer to the Board of the liability of the State Government regarding the payment of interest and principal of the loan".

Then comes the liability. If something is left over as a profit which goes towards expansion of the electricity in Maharashtra, why should you feel that there must be some liability which will be made good by the revenues of the State, and then say that there is no provision as to how this liability can be met. Therefore, the advice of the Comptroller General had to be sought and the Comptroller, the Electricity Board authorities and the State of Maharashtra all put together suggested that there must be an amendment to the principal Act.

So it leaves an impression that there is something fishy. As Shri U. M. Trivedi also pointed out, rightly, is it the conception of the authorities that this project is going to run at a loss? Or did the International Bank stipulate that it should be done in such and such manner? Therefore, we must be told what the prospects of the running of this particular project are. If we are going to run it at a loss, from what fund are we going to make good the loss. The whole background may be explained so that we may know what exactly is the purpose of this legislation. If it is a good project, but initially it may incur some loss, we do not mind it; in fact, we might get advantage out of it. But let us be told. Therefore it requires an explanation at the hands of the hon. Minister, so that we may know the position under which we are proceeding.

**Shri Shivaji Rao S. Deshmukh:** I must confess that I fail to see any reason behind this Bill.

As stated in the Statement of Objects and Reasons, the reason was that certain charges or certain liabilities of the Koyna project were being made chargeable to the consumers on the cost of the current consumed and

under the existing laws these liabilities could not be chargeable to the consumers, and so the purpose of the Bill boils down to this that these costs will be amalgamated with the cost of the current. This lays an additional burden on the consumers of electricity and makes the project uneconomic. Besides, it would appear from the statement that under the existing law, the Bombay State Electricity Board is not competent to pay such charges of interest etc., from its own income. If that was the difficulty, I fail to understand why the Ministry did not bring forward an amendment to the law relating to the Electricity Boards, enabling them to make payments towards interest etc. Instead of that, the Ministry chose to tack on this responsibility to the consumer. I may be forgiven if I say that this increases the burden of the consumer of electricity and therefore constitutes a step which is calculated to be a restriction on the consumption of electricity, and so opposed to the expansion programme of electricity supply to the nation. So, I wish the Minister explains why they are amending this Act instead of the law relating to electricity boards. Even at this stage they will do well to withdraw this Bill and bring in a suitable amendment of the law relating to electricity boards. It will go a long way to help enormously the expansion programme instead of restricting the consumption of electricity, and it will also be a way out of their present difficulty.

I wish to point out that certain corporations have been licensed to supply electricity to consumers in Maharashtra State, but because they find it uneconomic, because many of them are maladministered, they have got worn out machinery etc., they are not in a position to supply even the existing demand of electricity, not to speak of any expansion. Under the existing law, these concerns cannot be taken over by the Electricity Board. I will be glad if I am told by the Minister that adequate steps will be

taken to look into this complaint of the Maharashtra Government, and that the law will be sufficiently and promptly amended to enable the State Electricity Board to acquire such units which, for whatever reason, have failed to supply electricity to the consumers or to achieve the minimum standards, as it will help to ease electricity scarcity in that State. I have given notice of an amendment to that effect.

The bulk of the electricity from the Koyna project is going to home consumption, agricultural consumption and industrial consumption. Agricultural consumption in Maharashtra, as has already been admitted by all quarters, is taxed the highest in India, and the cost per unit payable by the consumer in Maharashtra is also the highest. The present measure, in effect, will further add to the burden of the agricultural consumer and will not enable agriculturists to switch over to the use of electric pumps, and may retard further progress in the State. I therefore request the hon. Minister to withdraw this Bill and instead bring forward an amendment to the law relating to Electricity Boards.

I do not oppose the Bill but request him to consider my suggestion.

**श्री बड़े (खारगोन):** अध्यक्ष महोदय, मेरी डिफिकल्टी यह है कि एलेक्ट्रिसिटी (सप्लाई) अमडमेंट बिल, १९६२ के स्टेटमेंट ऑफ़ ओबजैक्ट्स एंड रीजन्स में यह लिखा है :—

“The Electricity (Supply) Act, 1948 does not permit such payment from the revenues of the Board and hence such payment cannot be taken into account in the fixation of the rates of supply.”

इस का स्पष्ट अर्थ यह है कि एलेक्ट्रिसिटी सप्लाई एक्ट १९४८ के जो प्राविजन्स हैं उन को नलिक्राई करने के लिए यह अमैडिंग बिल

लाया गया मालम होता है। इस का असर एलेक्ट्रिसिटी के कंज्यूमर्स पर पड़ने वाला है। क्या माननीय मंत्री इस के द्वारा एलेक्ट्रिसिटी सप्लाई एक्ट १९४८ में जनरल कंज्यूमर्स के लिए २५ नये पैसे और एग्जीक्यूटिव्स के लिए १० नये पैसे का जो रेट है उस दस नये पैसे के ऊपर एकसट्रा चार्ज लगाना चाहते हैं? इस अमैडिंग बिल को देखने से तो यही मालूम पड़ता है कि एग्जीक्यूटिव्स के लिए जो एलेक्ट्रिक इनर्जी का १० नये पैसे का रेट है उस रेट को नलिक्राई करने के लिए और उन पर एकसट्रा बर्डन डालने के वास्ते इस को लाया गया है। अगर ऐसा इस में उद्देश्य निहित हो तो जैसा कि अभी एक माननीय मेम्बर ने कहा और मैं भी उन से सहमत हूँ कि इस को वापिस ले लिया जाय क्योंकि इलेक्ट्रिसिटी सप्लाई एक्ट के अन्तर्गत जो रेट न बढ़ने का प्राविजन्स है उस प्राविजन्स को नलिक्राई करने के लिए यह अमैडिंग बिल लाया गया है। स्पष्ट रूप से यह एग्जीक्यूटिव्स के फायदा जाता है। सरकार की जो यह नीति है कि एग्जीक्यूटिव्स को ज्यादा एनर्जी और सस्ती दर से मिले ताकि वह अधिक अन्न उपजा सकें, उस के विरुद्ध यह अमैडिंग बिल जाता है क्योंकि ऐसा इसका असर न पड़ता हो तो फिर इस प्राविजन्स का क्या मतलब है माननीय मंत्री इसे कृपया स्पष्ट करें।

**Shri Iqbal Singh (Ferozpur):** As far as the application of this amendment to a certain project is concerned, I will have no objection, if it is necessitated because of a certain agreement between the Government of India and the World Bank and because the project is going to be transferred to the State Electricity Board, but if this provision is to be used further where the concerns may be run even by private companies, it may not be a progressive step.

Moreover, as far as the working of these electricity boards is concerned, there are certainly certain projects which the electricity boards do not

[Shri Iqbal Singh]

undertake because they are uneconomic, especially the projects in the rural areas, where they have also another difficulty that there are certain conditions that if the line is profitable, electricity should be sold at such and such terms that we are aiming at. There has always been a desire in this House and outside that agriculturists should be provided electricity at 10 n.p. a unit for their purposes. I do not think we can give cheap electricity when this agreement is executed with the World Bank. In future agreements we should have this special problem in view provision of electricity to the agriculturists cheaply, in view of our food shortage and other things. It is in the interest of the community, not in the interest of one or two individuals. For the future, because the World Bank is going to supply about 11 crores of rupees for electricity expansion, we should not have such type of clauses in the future agreements. There are my two main objections and I think the hon. Minister will think over them. Especially this provision should not be used where electricity supplies are done by private concerns. They should not ask the Government: please do not acquire; take a loan. That may not be a progressive step.

13 hrs.

**Shri Sonavane (Pandharpur):** Sir, this amendment is as a result of the loan received by the State of Maharashtra from the International Bank for Reconstruction and Development. The Maharashtra State had to take recourse to such a loan because the Planning Commission did not come forward to give additional resources for the provision of overhead wires, etc., to extend electric supply to far off areas and so that State had to take recourse to this loan and as a result the whole burden would be passed on to the consumers. My constituency is to benefit on account of this extension and the electorate there had begun to speak that the electric supply should be cheap. But there is a fear that it

would be higher than even thermal power. I was at a loss to know why it should be so. It has dawned upon me that it is really so and the fears of the electorate are true. I shall be happy if the hon. Minister will say that they are unfounded. Hydel-electricity should be cheap and at any rate not costlier than the thermal power. If the burden on the consumer is reduced, I will be happy. Nothing should be done to increase the burden, particularly in the rural areas where the agriculturists want electricity for agricultural purposes. If even in the beginning they get this shock of costlier electricity, our rural electrification and agricultural expansion programmes will get a set back. I hope that something would be done to provide electricity cheap to the rural areas and to the agriculturists in particular.

**Dr. P. S. Deshmukh (Amravati):** Sir, I have heard the speeches made here and I must express my concern on behalf of the people who are likely to benefit from the Koyna project as a result of this Bill. I have not studied all the various projects and the burdens they place on the consumers. If there is any precedent of the kind it is proposed to be provided under this Bill, we would have been told so. If this project is alone to be subjected to this kind of a treatment, it is obviously unfair to the State of Maharashtra and those who expect to be benefited from this electric supply. I hope the very good suggestion made by my hon. friend, Shri S. S. Deshmukh, will be considered sympathetically. We have often said that we want to give a place of importance to agriculture. I asked a pertinent question the other day as to what the Prime Minister meant by saying that agriculture is very important, as important as defence itself. This assurance must be supported by acts of Government. I am sorry to say that there are not many instances where we find agriculture receiving that priority and importance and sympathetic consideration which the

Government poses that it should have. Farmers have a big grievance so far as the rates for electric supply to agriculture is concerned. I did try my best to even out the charges. There has been certain improvement in some States. But all that seems to be taken away by the proposed amendment. In Maharashtra in many parts there are no irrigation channels and people have to depend upon wells and electric pumps. This has proved very beneficial for agricultural production. But the rates must be economical; if they are so high as to make the pumps uneconomical, you will be defeating the very objective of securing greater production. If some other way is found by which the charges to be levied on the consumers in that area are not higher it would be good. It stands to reason that the Ministry would not have taken the trouble of bringing in this Bill if the charges were not to be higher. Evidently, the rates have to be higher and therefore, they want to protect themselves. So, it is going to affect the farmers and agriculture. I hope the hon. Minister will take all these things into consideration. The Maharashtra Government has not got many industries in these districts. These districts, which are going to be benefited are the poorest in Maharashtra. They are in fact famine districts. So, it would be very improper at this moment to saddle them with this. There are several other solutions which have been suggested by some hon. Members, especially my hon. friend Shri S. S. Deshmukh so as to allow the Board to take up the responsibility of meeting the charges etc. if the rates to be charged are to be higher. Shri Deshmukh has also suggested to nationalise those other concerns which are not working properly.

**Shri Bade:** Exemption to agriculturists.

**Dr. P. S. Deshmukh:** I do not want any exemption but the charges should not be exorbitant. The Maharashtra

Government has been charging, both for irrigation as well as other purposes, very high rates for electric supply. To add to them would be a worse thing to do. Giving of exemption would probably be difficult, but the rate should not be high and they should be comparable to those obtaining in other States where electricity is being provided to agriculturists. I would urge this very strongly. If exemption could be given, I will be certainly glad but that will probably be asking for too much. It must also be admitted that in many places, the bigger industrialists get concession, but the agriculturists do not.

**Shri Bade:** I do not mean exemption from electric charges but exemption from extra charges.

**Dr. P. S. Deshmukh:** I agree. That is a very sensible suggestion with which I fully agree.

**Shri Priya Gupta (Katihar):** This amendment to the Electricity Supply Act is really not desirable in the face of the policy followed in respect of the generation of electricity in the country. The point is, the electricity generated and the projects which are being undertaken are all for agriculture, farming, small scale industries and other development works. So, the question is one of making available to the consumer, the energy of electricity at lower rates than other costly contrivances such as mechanical, steam or oil-driven machines which would be required as prime movers. It is for this reason that the aim is always to make electricity available at the lowest rate. In a country which is just in the making, when the projects require more money and loans have got to be incurred, the brunt of the load and other things ancillary to the capital cost should not be thrust on villagers and no more burden should be borne by the consumer who is the poorest in the strata of society. In fact if in a particular project Government feels any difficulty,—in this case, it is the Koyna Hydro Electric Project—and if there is any difficulty

[Shri Priya Gupta]

in respect of its transfer to the Electricity Board, that difficulty should be tidied over by making extra sanction of money from the Planning Department of the Central Government or from the State Government, instead of putting pressure on the consumers. The moment this amendment is passed, it will be generally applied all over the country, and that will mar the inauguration or installation of further projects in the country and making electricity available to the villages.

I would submit to the Ministry that if the question of payment of loans and other things is the only point if that is the only object in this respect, and if it is decided that the collection would not be from the consumers, I have got nothing to say. The Government itself, at the Central level or at the State level, must bear the extra expenditure required for the installation or inauguration of any project. It is not proper that electricity charges received from the consumers should be enhanced for this purpose.

I would only repeat that the hon. Minister in charge of irrigation and power should kindly think about it and desist from moving this Bill. I would rather say that he should withdraw it. I say because it will be defeating the purposes we have in view. We have been crying for electricity in the country, a country where there is scarcity of water for irrigation and other small-scale industries. For this reason, to make electricity popular among the people in the villages who are very, very poor, electricity must be made available at cheap rates. Even if the cost of generation is higher, there must be some premium paid by the Government to make electricity easily, readily and economically available to the agrarian population, whom electricity has not yet touched. In all other countries, electricity is being utilised to a great extent by the agrarian population. Here, in India, we must make electricity available to the gram panchayats

and the villages, but it must be remembered that it will be impossible for the agrarian population, at any stage, to bear the brunt of the total capital cost of the installations, whether we borrow from the International Bank for Reconstruction and Development or whether the Government itself meets the cost. So I would submit that in the greater interests of the country which is in the making, and as has been pointed out by many hon. Members specifically, the position of the villagers who are the poorest in the land, should be considered. In any case, my submission is that this amendment should not be a generalisation.

I end with the submission that the points and suggestions made during this discussion should be considered by the Government.

श्री विश्वाम प्रसद (लालगंज) :  
अध्यक्ष महोदय, इस बिल के स्टेटमेंट आफ़  
आब्जैक्ट्स एंड रीज़न में लिखा हुआ है :

"...the earnings from the operation of the project would after providing for all operating expenses, including taxes, adequate depreciation, interest and repayment of all loans and advances, allow for a reasonable contribution towards the cost of expansion of power facilities of the Electricity Board."

यह तो बोर्ड की बात हुई। आगे चल कर लिखा हुआ है :

"An out and out transfer of the project to the Board would involve transfer to the Board of the liability of the State Government regarding the payment of interest and principal of the loan."

मेरा कहना यह है कि यह जो इंटरनशनल बैंक से लोन लिया गया है इसका जो इंटेरेस्ट है वह या तो सेंट्रल गवर्नमेंट पे करे या फिर प्राविशल गवर्नमेंट पे करे। इस लोन को लेने का मकसद यही रहा होगा कि इससे जो



बिजली पैदा की जाएगी वह किसान को या देश के दूसरे जो काम हैं, धंधे हैं, उनके लिए इस्तेमाल की जाएगी। आब्जैक्ट्स एंड रीजंज में यह नहीं लिखा हुआ है कि चूंकि बोर्ड के ऊपर यह भार पड़ेगा इसलिए इस एमेंडमेंट को लाने की जरूरत पड़ी है। इसके अन्दर यह भी नहीं लिखा हुआ है कि किसान को या बिजिनसमन को भी कोई फायदा होने वाला है। इससे साफ जाहिर होता है कि इलैक्ट्रिसिटी का जो रेट है वह रीजनेबल या चीपर होने के बजाय बढ़ेगा और आर्टो-मटिकली किसान के ऊपर जा कर इसका भार पड़ेगा।

मेरी प्रार्थना यह है कि जैसा कि दूसरे माननीय सदस्यों ने कहा है, ऐसा नहीं होना चाहिये। इस एमेंडिंग बिल में कहीं भी यह नहीं कहा गया है, कि ऐसा नहीं होगा। यह जो लोन इंटरनेशनल बैंक से लिया गया है यह इन दी इंटररेस्ट ग्राफ दी कंट्री लिया गया है किसान के फायदे के लिए लिया गया है और इस लिए यह उचित ही होगा कि चीप रेट पर किसान को बिजली मिले। माननीय सदस्यों ने कहा है कि इसका मकसद केवल यह है कि इलैक्ट्रिसिटी का रेट बढ़ जाए। मैं उनकी इस राय से सहमत हूँ। मैं प्रार्थना करता हूँ कि मिनिस्टर साहब क्लेरिफाई करने की कोशिश करें कि क्या इसका रेट पर भी कोई असर पड़ेगा ?

**श्री शशपाल सिंह (कैराना) :** अध्यक्ष महोदय, मैं तीन चार मुद्दाव आप के सामने रखने के लिए खड़ा हुआ हूँ।

मैं खुद भी एक ट्यूब वेल का इस्तेमाल करके थोड़ी सी काश्त करता हूँ। मैंने देखा है कि किसान को १८ नए पैसे देने पड़ते हैं एक यूनिट के। लेकिन उसके मुकाबले में बिड़ला साहब को फ्री यूनिट साठे तीन नए पैसे ही देने पड़ते हैं। मेरी गुजारिश है कि यह जो डिस्पैरिटी है, इसको खत्म किया जाए और किसान के लिए सब से पहले पावर का

इंतजाम किया जाए। जब आप एग्रीकलचर को फसट निसेसेटी कहते हैं, तो उसको आप को टैप प्रायोरिटी भी देनी चाहिए। देश के किसी भी भूभाग में, किसी भी कोने में ऐसा न हो कि किसान को बिजली के रेट्स दूसरे लोगों से हाई देने पड़ें।

दूसरी बात यह है कि रेलवे बोर्ड ने जो यह सिफारिश की है कि ट्रेनों को बिजली से चलाया जाए, इसको रोक दिया जाए। अगर हमारी ट्रेनें बिजली से चलेंगी जो हमारे वार के लिए चल रहे काम हैं, जिन को चलाने के लिए बिजली की जरूरत है, उन में रुकावट आयेगी और देश को घाटा रहेगा क्योंकि उनकी जरूरत की बिजली सारी ट्रेनों के चलाने में चली जायेगी।

मेरा तीसरा सजेसन यह है कि सिनेमाओं के काम में आने वाली जो बिजली है उस को बिल्कुल काट देना चाहिये। सिनेमा हर तरह से हमारे यहां के लोगों को चरित्रभूट भी कर रहे हैं और उनमें हमारी इतनी बिजली चली जाती है। मैं मानता हूँ कि समाज में मनोरंजन की जगह होती है, लेकिन मुझे तो उस की भी जरूरत नहीं है क्योंकि मेरा मनोरंजन तो काम करने ही हो जाता है। मैं तो इस को मानता हूँ कि वर्क इज वर्शिप। फिर आज तो देश पर संकटकाल आया हुआ भी है। इस लिये मैं चाहता हूँ कि सिनेमा को दी जाने वाली बिजली बिल्कुल बन्द कर दी जाय

चौथा सजेसन मेरा यह है कि हमारे काश्तकारों को डिप्टी कमिश्नरों के रहम व करम पर छोड़ रक्खा गया है। जब हम कभी १० या ५ हासं पावर के लिए कनेक्शन लेने जाते हैं तो कहा जाता है कि डिस्ट्रिक्ट मेजिस्ट्रेट के यहां से नो आब्जेक्शन सर्टिफिकेट ले कर आओ। जो बिजली लेने वाले हैं वे सरकार को टैक्स देते हैं और ठीक से बिजली का मूल्य देते हैं। ऐसी हालत में जो बीच

[श्री यशपाल सिंह]

में ब्यूरोक्रेसी है उस को खत्म कर देना चाहिये सारे रेड टेपिज्म को खत्म कर के काश्तकारों को सीधे बिजली मिली चाहिये

**Shri Gauri Shanker Kakkar (Fatehpur):** Sir, my objection to this amending Bill is only to this extent that this particular project is a State-sponsored project and now the State is willing to give it to the Board. So, if the State is not able to run it more efficiently, to expect that the Board would be doing justice is beyond imagination.

Sir, the apprehension which certain hon. Members have expressed is not actually specified in this amending clause. But, as a result of this amendment having been undertaken, naturally, the rates are going to be enhanced. The principle should be that if there is a certain project which the State has undertaken and the State is responsible for paying the liabilities, interest and loan, then the State can be in a position to supply power at a cheaper rate to the consumers in comparison to the Board.

So, by accepting this particular amendment it will set an example to the other States as well and then a State will be able to shirk the responsibility in this manner by giving it to the Board for a particular period on lease and then the Board will have its own terms. So my request is that if there is a particular project which has been sponsored by the State it would not be safe to give it on lease to the Board. It will simply lead to enhancement of rates which are ultimately payable by the consumers.

In this respect, Sir, I oppose this amendment. But one thing is quite definite. Some hon. Member has suggested that this amendment will lead to private projects also being undertaken. Here it is quite clear that it relates or it refers to the State only and not to private projects. I would, of course, welcome if the private pro-

jects are also undertaken by the Board. But any project of the State being given to the Board for a certain period on lease is a thing which cannot be understood easily.

So, Sir, on that principle, I oppose this Bill.

**श्री तुलसीदास जाधव (नांदेड़) :** अध्यक्ष महोदय, यह जो एलेक्ट्रिक सप्लाय (अग्नेडमेंट) बिल आया है, उस के स्टेटमेंट आफ ग्रान्जेक्ट्स ऐंड रीजन्स में लिखा है कि वर्ल्ड बैंक ने जो कर्जा दिया है उस के खर्च को वसूल करने के लिए जो कंज्यूमर्स हैं उन को जो बिजली दी जायेगी उन से ज्यादा पैसा लिया जायेगा। इस तरह का उस का सार है :

"The Electricity (Supply) Act, 1948, does not permit such payment from the revenues of the Board and hence such payment cannot be taken into account in the fixation of the rates of supply."

इस के माने यह है कि अभी तक कोयना के बारे में जो परमिशन नहीं थी वह परमिशन अब दी जा रही है। मैं समझता हूँ कि जो कोयना तैयार करने का काम चल रहा था तब महाराष्ट्र के अन्दर लोगों के अन्दर कुछ ऐसी आशा पैदा हुई थी कि ज्यादा से ज्यादा और सस्ती से सस्ती बिजली उन को मिल जायेगी। लेकिन जिस रीति से बोर्ड को पावर्स दी जा रही हैं उस से वह दूसरी बिजली से मंहगी हो सकती है। हम को इस का ख्याल रखना चाहिये। जो बिजली हम लोगों को मिलती है उस के सम्बन्ध में जो खेड़त लोग रहते हैं या स्माल स्कूल इंडस्ट्रीज वाले लोग रहते हैं वे पूछते हैं कि बिजली कितनी मिलती है और उस का रेट कितना है।

मैं कहना चाहता हूँ कि आज महाराष्ट्र की स्थिति ऐसी है कि वहाँ के लोग बहुत गरीब हैं और अगर उन को सस्ती बिजली

नहीं मिलती तो वे उस का इस्तेमाल नहीं कर सकते हैं। इस लिए सरकार से मेरा यह निवेदन है कि जो बिजली दूसरी कम्पनियों प्राइवेट कम्पनियों या बोर्डस से दी जाती है उस से बिजली का दाम ज्यादा नहीं होना चाहिये। यह प्रकाशन लेना बहुत जरूरी है।

मैंने देखा है कि म्यूनिसिपैलिटीज ग्राम पंचायतों के सम्बन्ध में बोर्ड से जो लिखा पढ़ी हुई है उस में ऐसा मुना जाता है कि जो लोग कम इस्तेमाल करते हैं उन को १५ न० पै० पर यूनिट के हिसाब से और जो लोग ज्यादा इस्तेमाल करते हैं उन को १० न० पै० पर यूनिट के हिसाब से देना पड़ता है। इस ऐक्ट के अमेंड होने के पहले मैं समझता हूँ कि सेंट्रल गवर्नमेंट से इस बोर्ड ने जो लिखा पढ़ी की है या स्टेट गवर्नमेंट ने जो लिखा पढ़ी की है, उस के अनुसार सरकार का विचार बोर्ड को पावर देने का है। मेरी रिक्वेस्ट है कि इस बिजली का जो रेट हो वह दूसरी जो बिजली मिलती है उस से ज्यादा नहीं होना चाहिये। कहीं केन्द्र सरकार के अन्दर यह विचार न आ जाये कि चूँकि कोयला के लिए उस ने इतना पैसा खर्च किया है इस लिए उस की बिजली का दाम ज्यादा रख दिया जाय। आज आखिर कौन से लोग हैं जिन पर प्रभाव पड़ता है? आज महाराष्ट्र के लोग बहुत गरीब हैं, वे अपने घंघे करना चाहते हैं, कोई स्माल स्केल इंडस्ट्रीज को चलाना चाहते हैं, अगर उनके लिए मामूली बिजली के रेट से ज्यादा रेट इस बिजली का हो जाय तो यह उन लोगों के ऊपर बोझा होगा।

इस सम्बन्ध में मुझे इतना ही कहना है। मेरी तों यही बिनती है कि जो यमलं एलेक्ट्रिसिटी होती है उस से हाइड्रो एलेक्ट्रिसिटी का दाम ज्यादा नहीं होना चाहिये, बल्कि कम दाम होना चाहिये। सरकार जो इस का प्रकाशन तो लेना ही चाहिये।

**Shri Alagesan:** Sir, this is such an innocent Bill that I never imagined that hon. Members would read in so many suspicions and misapprehensions into this very simple Bill. This has been necessitated only by certain legal difficulties. At the time this agreement was entered into between the erstwhile Government of Bombay and the International Bank for Reconstruction and Development, it was thought that there should be no difficulty and the difficulty arose later in the interpretation of the Electricity Supply Act. The agreement provided that this project as and when commissioned should be transferred to the Electricity Board. That is one of the clauses of the agreement. It also provided as to how the rates etc. should be fixed and how it should be possible to leave something for the purpose of further development also.

Now, Sir, it was assumed at that time that it should be possible for the Bombay Government or the Maharashtra Government to effect a transfer of this project to their own Electricity Board. But then, when we consulted legal opinion on this matter, we were told that it is not possible to effect an out and out transfer to the Electricity Board; it can be done only by effecting a lease. This was the opinion of the Advocate General of Bombay. Thereupon, we were told by our Law Ministry and the Attorney-General of India that the transferring of the project on lease to the Board cannot be done under the present scheme of the Act. The whole scheme of the present Act does not permit such a course to be adopted by the Government of Maharashtra. Hence, it was found necessary that this Act should be amended. It can be transferred by the Government on lease to the Electricity Board only a by a specific provision which has to be added to the Act; otherwise, it is not possible. That is the whole background of this Bill.

One hon. Member said that in view of the present emergency the whole thing can be taken over under the Defence of India Act. There is no

[Shri Alagesan]

question of an emergency in this. It is in the line of ordinary development of electricity in this country. To see that this is done, this agreement was entered into in the year 1959. It provides for an amortisation schedule. The repayment is spread over a period of 20 years beginning from the year 1965 and ending in the year 1984. So, in order to give effect to the provisions that were put into this agreement and to do it in a way which will facilitate that, this Bill has been brought forward.

It was said that it would have been absolutely unnecessary for the Government of Bombay to go to the International Bank for this loan if the Government of India or the Planning Commission had advanced a loan to the Government of Bombay. Some hon. Member suggested that. Actually, the loan that has been advanced by the Government of India to the Government of Maharashtra for the first stage upto the end of June comes to Rs. 32.58 crores. This is a continuing project. The project was taken up some years ago. The first unit of 60 megawatts was commissioned in May this year. After four months, that is, in the month of September another unit which is capable of generating 60 megawatts of electricity was commissioned. A third unit will be commissioned before the close of the present financial year. The fourth unit will come next year. There is also a second stage wherein we are going to put up four units each of which will generate 75 magawatts of elecercicity. So, this is a continuing scheme.

I should here pay a tribute to the engineers who are there on this job. It is a very, very special type of construction which has to be done all in the bowels of the hills. So, I should pay a tribute to the engineers concerned for the very efficient manner in which they have prosecuted this project. When we get full power generated from this project it will go a great way in affording relief and will

provide electricity both for agriculture and industry in the State of Maharashtra.

Many hon. Members very rightly pleaded that the object of production and generation of electricity should be to help the agriculturist in increasing food production and also, of course, to help the industrialisation of the country. That is the very object with which this project had been undertaken and is being, I should say, very efficiently prosecuted.

Doubts were raised that because of this particular amendment it may so happen that the rates would be unduly raised. That was the fear in the minds of hon. Members. If you look into the present Act, you will find that section 67 of the Electricity Supply Act, 1948 provides that after meeting various charges,—

“the balance remaining, one half in the reduction of tariffs or for such other purposes beneficial to electrical development in the State, as the Board may think fit, and the remaining one half to the Consolidated Fund of the State.”

whatever balance remains after discharging all obligations and liabilities will be shared equally by the Electricity Board concerned and the State Government which will again be ploughed back for further expansion as is the intention of the Act.

At this stage of our development, specially in the field of generation of electricity, it should not be the contention of anybody that this industry of generation of electricity should not produce profits. In fact, if I remember aright, the Third Plan has taken credit for about Rs. 500 crores which all the public sector industries have to contribute towards further development expenditure and I should like to submit that the electricity industry also should play its own part and make its own contribution. In fact, there should not be any objection to the industry fixing the rates in such a manner that it will be left with something more for its own expansion. •

It was also mentioned by some hon. Members who come from the State of Manarashtra that already the rates at which electricity is supplied to agriculturists are a bit high and one hon. Member said that they are the highest. If I remember aright, the rate is not the highest. There are certain States which, I think, charge more and there are, of course, certain other States which charge less. Once you go into the question of supplying electricity to the rural areas for agricultural purposes you will see that the quantum that is consumed is very little and you have to take even this little quantum of electricity over very long distances for which you have to lay transmission lines which cost a great deal. In fact, in the case of certain projects, I think, the cost of transmission lines comes to a sizable percentage of the cost of the whole project. All these things have to be taken into consideration. In fact, we wrote to the various State Governments that the rates for the supply of electricity for agricultural purposes in rural areas should be brought down. We had a long correspondence with the various State Governments over this and everyone of the State Governments pleaded that it was not possible to bring down their rates of supply under the present circumstances because they intended to expand further rural electrification.

When we say that the rates should be reduced or should be kept at a certain level we should not forget that there are many areas still without rural electrification. If you take the country as a whole, I should say, we have only touched the fringe of the problem. There are many areas still left which we should serve effectively. So, if we go on cutting down the rates of supply, it will not be possible to expand further. By this we may benefit those who are already getting the supply, but if we want to reach out and supply electricity to a larger number of villages which are yet not connected with electricity, we will

have to fix our rates in such a way that the industry certainly earns a little more which will be utilised for further expansion of electricity. So, there should be no quarrel on that account, I should think. But I should like to allay the fears of hon. Members that is, that the rates of supply will be further put up because this amendment which we are now proposing to effect to the Act. That will not be the case. I do not think that because of this amendment the rates of supply of electricity are going to be increased in any manner. I think, that should satisfy hon. Members who expressed a doubt that this will go to inflate the cost of electricity supply.

**Shri Sonavane:** When there is provision in the Act for the supply of electricity where was the necessity of providing in the loan agreement the rates for sale of electricity generated by this project?

**Shri Bade:** One question, Sir.

**Mr. Speaker:** Let him answer.

**Shri Bade:** He has not put the actual question.

**Mr. Speaker:** For him he has put the question. Another hon. Member says that he has not put the question.

**Shri Alagesan:** I have said to begin with that when this agreement was entered into, this legal difficulty was not foreseen. We thought that it should be possible for the Government to transfer this project to the Electricity Board and the rates also may be so fixed as to honour all the provisions that have been put into the agreement. But, when it was considered at the legal level, it was pointed out that it is not possible to do so. It is for that purpose we are bringing this amendment. I have said this at the beginning.

**Shri Bade:** I have got this difficulty that in the amendment of the Bill, it is said, 'including terms and conditions relating to the operation

[Shri Bade]

and maintenance of the project, that is, there will be a rate according to the Electricity Act plus expenses. The word 'including' is more dangerous. My objection is whether you are going to levy more taxes over and above those which are the usual charges according to the Electricity Act. That is the difficulty because the word 'including' is there.

**Shri Sonavane:** Does it not tantamount to amending the provision of the Act itself?

**Shri Alagesan:** It is purely a legal difficulty. There is no other difficulty. As I said, two units have already been commissioned. The Maharashtra Government wants to transfer the working of these two units to the Electricity board straight-away. There are other units which are yet to be constructed and to be put into commission. They will be transferred as and when they are ready for commercial operation.

**Mr. Speaker:** The only apprehension expressed on all sides was whether there is any hidden or covered intention to enable the State Government to enhance the rate that is being charged from the farmers. That doubt and suspicion should be removed.

**Shri Alagesan:** I may assure the House that if there is any enhancement of rates, I do not think it will be due to this amendment. Certainly, even now, the Governments are free to enhance the rates for industries and for agricultural purposes. If you look at the various rates that are charged for various purposes by the State Government, they differ.

**Mr. Speaker:** The present amendment has not any such intention?

**Shri Alagesan:** The present amendment has no such intention.

**Mr. Speaker:** That is right.

**Shri Alagesan:** I hope this will be acceptable.

**Mr. Speaker:** The question is:

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

*The motion was adopted.*

**Mr. Speaker:** The question is:

"That clause 2 stand part of the Bill"

**Shri Alagesan:** I beg to move:

Page 1, for lines 7 to 14, substitute—  
*Power to acquire projects, etc. on lease*

20A. Without prejudice to the generality of the power of the Board to acquire any property, the Board may acquire from the State Government on lease any project relating to the generation of electricity and all transmission lines and other works connected with such project or any part of such project, transmission lines or other works on such terms and conditions, including terms and conditions relating to the operation and maintenance thereof as may be agreed upon between the State Government and the Board."

**Mr. Speaker:** He might explain the necessity for it.

**Shri Alagesan:** In my opening speech itself, I explained why it has been found necessary to make this amendment. When we introduced the Bill, we thought the whole thing will be transferred when completed. Now, the Maharashtra Government has expressed a desire that they will transfer even in parts. It is practicable. Two units can be immediately taken over by the State Electricity Board and operated and run. So, we have only said a part of the project also can be transferred. That is the only object of this amendment.

**Shri Bade:** My objection to this is, even though the hon. Minister has given a reply, he has not given an

assurance that there will be no enhancement of the charges.

**Mr. Speaker:** He has given the assurance that if there is any enhancement, it would not be due to this amendment. Otherwise, how can he give an assurance, if the States have powers . . .

**Shri Bade:** My difficulty is, this is very ambiguous. Because, under the Motor Vehicles Act, they charge motor taxes plus passenger tax. They say that it is not due to this Act. Here in this case also . . .

**Mr. Speaker:** He can ask his colleagues in the State Legislative Assembly to take that point up there.

**Shri Sonavane:** I want to know what rate would be charged to the consumers as a result of this.

**Mr. Speaker:** The State can answer.

**Shri Sonavane:** I should be enlightened.

**Mr. Speaker:** Order, order. This question should be put to the State authorities. How can he say that a particular State would charge this rate from the farmer?

**Shri Sonavane:** Electricity is already being supplied. He must be having this information before him.

**Mr. Speaker:** If tomorrow the State enhances, who will be responsible?

**Shri Sonavane:** The present position will be known. In comparison with the rate charged in others, whether this rate is higher: that would be known from rates in other States.

**Mr. Speaker:** He has said that it is higher though not the highest. He has said so.

**Shri Sonavane:** In the present case, we are anxious because, my constituency will be benefited. They will be charging much more.

**Mr. Speaker:** He must know best what rate is being charged. He again and again says that it is his constituency. He must know. I do not appreciate the point.

**Shri Bade:** By the passing of this Act, this disease will spread to all States.

**Mr. Speaker:** What can I do? He can veto it. He can reject it. What else can I do?

**Shri Bade:** This word 'including' should not be there.

**Mr. Speaker:** He ought to have given an amendment. Why was he lazy? He never worried about it. Today, he has learnt that there is the word 'including'.

**Shri Bade:** Without the amendment, the Government can do it.

**Mr. Speaker:** It would be my difficulty. The Government might accept the suggestion. How can I take up his proposition unless he gives some amendment?

**Shri Sonavane:** Let the hon. Minister give us some information.

**Mr. Speaker:** He comes from that constituency. He knows it best.

The question is:

Page 1, for lines 7 to 14, substitute—  
Power to acquire projects, etc. on lease.

20A. Without prejudice to the generality of the power of the Board to acquire any property, the Board may acquire from the State Government on lease any project relating to the generation of electricity and all transmission lines and other works connected with such project or any part of such project, transmission lines or other works on such terms and conditions, including terms and conditions relating to the operation and maintenance thereof as may be agreed upon between the State Government and the Board."

*The motion was adopted.*

**Mr. Speaker:** The question is:

"That clause 2, as amended, stand part of the Bill."

*The motion was adopted.*

<sup>7</sup> Clause 2, as amended, was added to the Bill.

**Mr. Speaker:** The question is:

"That clause 1, the Enacting Formula and the long Title stand part of the Bill."

*The motion was adopted.*

Clause 1, the Enacting Formula and the Long Title were added to the Bill.

**Shri Alagesan:** I beg to move:

"That the Bill, as amended, be passed."

**Mr. Speaker:** The question is:

"That the Bill, as amended, be passed."

*The motion was adopted.*

13.48 hrs.

#### COMPANIES (AMENDMENT) BILL

**The Minister of Commerce and Industry (Shri K. C. Reddy):** Mr. Speaker, I beg to move:

"That the Bill further to amend the Companies Act, 1956, be taken into consideration."

As the House is aware, this Bill was introduced in this House a few days ago, that is on the 13th. This Bill seeks to replace with a minor addition, the Ordinance that was issued on the 3rd of this month with a view to enabling the Boards of Directors of companies, both public and private, to make without delay generous contributions to the national Defence Fund, or any similar fund approved by

the Central Government for the purpose of national defence, uninhibited either by the limits and conditions imposed by section 293 (1) (e) of the Companies Act or by their own memoranda and/or articles of association.

13.49 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

This section of the Companies Act provides that the Boards of Directors of a public company or of a private company, which is a subsidiary of a public company, may contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amount not exceeding in aggregate, Rs. 25,000 or five per cent of its average net profits during the preceding three years. If the Board wishes to exceed this limit, it must obtain the consent of the company in a general body meeting. The general meeting of a company can however be called only by giving not less than 21 days clear notice. Thus, the convening and holding of a general meeting of a public company necessarily entails time and expense. In the case of private companies also which are not subsidiaries of public companies, although the above-mentioned statutory restrictions regarding contributions to charitable and other funds do not apply, it may not be possible for many such companies to make such contribution in view of the provisions of their memorandum or articles of association. In the context of the aggression by China on our country and the need to mobilise all the available resources to combat such aggression, and with a view to swelling the National Defence Fund which has been created by Government, it was considered that companies which might like to make generous contributions to the fund in excess of the limits imposed by section 293 (1) (e) of the Companies Act or irrespective of the provisions in their memoranda and articles of