

From the Chair

# The South Madras Electric Supply Corporation Ltd. Tiruchirapalli

## Speech of the Chairman, Shri K A P Visvanatham

THE following is the text of the Speech delivered by Sri K A P Visvanatham, Chairman, The South Madras Electric Supply Corporation Ltd, Tiruchirapalli, at the 22nd Annual General Meeting of the Company held on August 30, 1962:

It is my privilege to once again preside over and welcome you to an annual general meeting being the Twenty second meeting.

Since we met last year about this time, I am glad to say that we have generally done well as would have been revealed to you by the Directors' Report, the Auditors' Report on the accounts, the Balance Sheet and the other statements which have been in your hands for sometime now and which I have no doubt have had your careful scrutiny and attention. I therefore will take these documents as read and will invite your comments on them after the close of this address.

### Capital Extension

As has been mentioned in the Directors' Report, we executed capital extensions to the value of nearly Rs 20 lakhs, which I consider a fair and satisfactory achievement. At the same time, I hasten to add that the demand for electric power is so great that there is yet a large measure of dissatisfaction from the unsatisfied applicants for agricultural and other categories of power, a state of affairs which, while causing us a lot of mental exercise, is from the national point of view a healthy sign being an index of the rate of growth of our prosperity.

The Government of Madras were pleased to give us loans to the extent of Rs 15,24,634 for executing rural schemes in the year under review. We propose to execute all these schemes in the current year besides urban extensions and system improvements to the extent of Rs 10 lakhs from our internal finances.

It is the declared policy of the Madras Government to electrify all the villages in the State in this plan

period and We have agreed to wholeheartedly participate in this venture, by accelerating and executing construction programmes on the one hand and also by handing over to the State Electricity Board such parts of the area which are more contiguous to their expansion plans. We have also submitted to the Government of Madras that the loan assistance should be substantially increased to meet the demands of such an enlarged programme of work and we expect that this request will receive the Government's sympathetic consideration.

Position as regards construction materials like poles, conductors and cement has not been too good and these contributed in some measure to delays in construction. But our Managing Agents & Chief Engineers have been alert and have risen to the occasion by scouting round and securing substitute materials wherever possible. I have every confidence that with their ingenuity and enthusiasm our Engineers can fulfil any reasonable programmes we place before them.

### Power Shortage

We had a short spell of grave power shortage, towards the end of June, 1962. This was on account of the delayed onset of the monsoon. Fortunately the crisis was over in a few days, thanks to rains. It is a matter for gratification that one 50 MW set of the Neyveli Lignite Corporation has been put into commission recently. We are informed that the storage position in most of the hydro electric reservoirs is satisfactory and with the expected commissioning of further power plant at Neyveli in the course of this year, we may not be put to any inconvenience this year. It is however pertinent to point out that the demand for power far exceeds the pace of development throughout the country and this critical race between demand and supply is bound to be there, in spite of the vast and ambi-

tious power development programmes envisaged in the Plan. You would have read in the papers of power shortages in Delhi, Bombay as well as Calcutta areas. I think we got out of the trouble much earlier than the others.

In this context, I would like to pay a special tribute to Sri V P Appadurai, who has been the architect of the Madras State Electricity development over the last decade and has been a worthy successor to such stalwarts as Sri Henry Howard and Sri G Sundaram. He is doing a wonderful piece of work and has successfully placed the Madras State in the forefront of all the Indian States (Why all the Asian countries!) in rural electrification and in the planned development of the State's power resources. He has been recently elevated to the position of the Chairman of the Madras State Electricity Board and I would like to tender to him on your behalf and mine our sincerest good wishes and many years of association with the Madras State Electricity Board as its chief administrator.

### Electricity Rates

Besides leading in rural electrification, this State had also the reputation of having had the lowest tariffs in the Republic for electricity supply to industries in particular and comparably advantageous tariffs for agricultural and domestic lighting. This position is likely to suffer a setback now. I mean the enviable status as a producer and seller of cheap power in view of the costlier thermal power that has to be injected into the power system from Neyveli, Madras and Madurai thermal stations. We should be prepared to accept soon, increases in all tariffs and I may say that this is inevitable, if we take into account the enormous increase in cost of construction and management.

The Government have also decided to levy a graded tax on the electricity supplies made to different

classes of consumers, to augment the resources of the State mainly to meet the capital requirements in the plan period. This proposed levy has been received by the consumer-public with mixed feelings the industrial consumers feeling particularly apprehensive, as even with cheap power they have been at a disadvantage when compared to manufacturers of the Bengal area. I sincerely hope the Government will take cognisance of these indications and afford whatever relief is possible in the interests of industrial growth.

The long standing disputes with the Income-tax authority, which related mainly to rates of depreciation on fixed assets were settled in our favour by the Income-tax Appellate Tribunal; but the Income-tax authorities have appealed against these decisions to the High Court. I should imagine that this will take some further considerable time for a decision to be reached.

### Consumer Service

Relationship with consumers and power supply applicants has been satisfactory in spite of the inevitable delays in extending supplies to villages. The Directors and the executive of the Company have been constantly exercising their minds as to how best to improve consumer services and accelerate supplies. (If in spite of their efforts there are delays, I appeal to the consumers for patience with the assurance that every effort will be made by us to serve them better and these delays are mainly because of the enormous demand which necessarily involves a planned execution of schemes).

The Company has made a special appropriation of Rs. 1,21,600/- this year also (making up the total of such appropriation to Rs 2,47,600/-) for augmenting the Company's capital resources. The appropriation is with reference to the suggestion given by the Federation of Electricity Undertakings of India as a result of their talks with the Government of India and is subject to approval by the Madras Government.

### Electricity Supply Act

The Federation of Electricity Undertakings has also been ceaselessly working to get some of the

stringent provisions of the Electricity Supply Act relaxed or modified so that profitability in Electricity investments is made more attractive to enable private capital to flow in, in a larger measure. I hope this effort will succeed. The indications are, the Government of India are sympathetic and are appreciative of the need of some such measure if capital is to be attracted to the supply industry,

At the level of the Government of Madras, the fact that Sri R Venkataraman has been assigned charge of Electricity besides industry augurs well for both. He has been an outstanding success as Minister of Industries in placing Madras truly on the industrial field. He is fully aware and conscious of the role played by electricity as a tool to industry and I have no doubt that as Electricity Minister he will bring to bear his unbounded enthusiasm to increase our power resources and power distribution and have always a soft corner "for the private sector" which promises to implement his programmes.

### Dividend

Your Directors have recommended to you for consideration a slight increase in dividend making up 10% for this year as against 9 % in the

previous years. This has been possible due to slightly increased earnings and I hope we will be able to keep this up in future years.

The Company's staff have been as usual hardworking and devoted to their duties and relations with the Workers\* Union have been cordial. I take this opportunity to thank all ranks of staff for their rewarding work.

I would also like to record my sincere thanks to the Managing Agents for their continued and efficient services and take this opportunity to congratulate Mr H K Ramaswami, the Director of the Managing Agents in charge of the South Madras Electric Supply Corporation Ltd., on his nomination by the Government to the Electricity Board's Consultative Council, to represent electricity supply undertakings. I also thank the Government for having selected the right person for the post.

I now move that the Directors' Report, the Auditors' Report and the Balance Sheet as on 31-3-1962 and the Profit and Loss Account for the year ended 31-3-1962 be approved and adopted.

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.

## World's Population Grows at 1.8 per cent Yearly

BY mid-1961 the world's population had passed the three billion mark, representing an increase of almost one-half billion since 1950, according to a United Nations study. An average rate of population growth of 1.8 per cent a year, greater than in any earlier 10-year period, has been shown in the results of population censuses taken during 1960 and 1961 in many countries. There are now 22 persons for each square kilometer of land, compared with 18 only 10 years ago.

One of the facts which recent census results have revealed is that among 15 countries of Asia the total population is approximately 35 million persons greater than had been anticipated. The fastest growing region of the world is Central America, where the average annual rate of growth is 2.7 per cent, but the countries of Southwest Asia

have grown almost as rapidly, with an average annual increase of 2.6 per cent. The slowest growth is found among the countries of Northern and Western Europe, in which the population increased by an average of only 0.7 per cent a year.

The increase in the total population of the world has been accompanied by an increase in the density of the population, U N studies show. The greatest absolute increase has taken place in South Central Asia, where there are now 109 persons for each square kilometer of land. Although this region as a whole is still not as crowded as is Central Europe, the most densely populated region of the world with 137 persons per square kilometer, South Central Asia had added 12 persons for each square kilometer since 1955, while Central Europe has added only five.