

U. K. Company will be entitled to the unremitted profits upto 31st December, 1976 estimated at Rs. 441.58 lakhs. As for the profits for the period 1st January, 1977 till 31st October, 1977, 74 per cent of the profits will be remitable to the U. K. Company and the remaining 26 per cent will be left as a capital reserve with the Indian Company which will not be available for capitalisation for a period of 5 years. The Indian Company will have a capital base of Rs 325 lakhs. The consideration of Rs. 440.50 lakhs will be satisfied by the issue of shares worth Rs. 24050 lakhs (74 per cent) to the foreign shareholders and the balance amount of Rs. 200 lakhs will be left as unsecured, undated, interest free loan stock units with the Indian Company. The remaining shares worth Rs. 84.50 (26 per cent) in the Indian Company will be allotted to the public through prospectus (22 per cent), employees (2 per cent) and public Financial Institution (2 per cent).

2. In both cases adequate safeguards have been taken to ensure that the income-tax liabilities are recovered from the Sterling Tea Companies and that the income-tax liabilities till the date of merger do not devolve on the Indian Company.

**Amount paid to Asstt. Director
General, Health Services**

3761. SHRI RAMDEO SINGH: Will the Minister of FINANCE be pleased to state:

(a) total amount paid to the Assistant Director General (P.F.A.) in the Directorate General of Health Services, an Airtravel expenditure including D.A. etc. in the years 1975-76, 1976-77, 1977-78 and up to June, 1978;

(b) whether he is entitled to be paid as such, and what is the average expenditure on this account of other officers of the same rank and status in Government of India;

(c) whether he will be further pleased to state about the bills of telephone at his residence during last two years; and

(d) what steps are being taken by the Government to bring such defaulting officers to book in the time of present tight economy of the country?

THE MINISTER OF FINANCE (SHRI H. M. PATIL): (a) The expenditure incurred on the T.A./D.A. of Assistant Director General (PFA) during the period 1975-76 to June, 1978 was as follows:-

Year	Airfare	D.A.	Total
	Rs.	Rs.	Rs.
1975-76	685.00	276.15	961.15
1976-77	8545.00	702.15	9247.15
1977-78	2570.00	260.95	2830.95
1978-79 (Upto June 1978)	2730.00	261.45	2991.45
TOTAL	14530.00	1500.70	16030.70

(b) Yes. An officer whose salary is less than Rs. 2250/- p.m. can travel by air on official duty with the prior sanction of the competent

authority in the exigencies of public service. The amount of touring by an officer depends on the nature of job assigned to him. No comparison

among officers of the same rank and status in this regard is, therefore, possible.

(c) The expenditure on residential telephone bills for Assistant Director General (P.F.A.) was as follows during the years 1976-77 and 1977-78:-

Year	Amount
1976-77	Rs. 2195.17
1977-78	Rs. 3951.45
	Rs. 6146.62

(d) Does not arise.

Direct flight for Delhi to Bhubaneswar

3762 SHRI PADMACHARAN SAMANTASINHERA: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to refer to the reply given to Unstarred Question No. 10148 on 12th May, 1978 regarding direct air service between Delhi and Bhubaneswar and state what is the position of the reconstruction work and what amount is allotted for this?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK: The runway is being resurfaced at an estimated cost of Rs. 14.07 lakhs. The contract for the work has already been awarded. Necessary material has also been collected and stacked at site. The work is likely to commence shortly.

Merger of D.A. with Basic Pay of Central Government Employees

3763. SHRI KIRIT BIKRAM DEB BURMAN: Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 952 on 21 July, 1978 regarding merger of

D. A. with Basic Pay of Central Government Employees and state:

(a) on what specific issues appertaining to the proposal for merger of D.A. payable to Government employees up to the cost of living index level of 272 both the Officers and the staff representatives in the national Council of the Joint Consultative Machinery of Central Government Employees were agreeable;

(b) what issues have been referred to arbitration; and

(c) whether Government propose to enforce the merger proposal to the extent it is acceptable to both sides, with effect from the date originally proposed for the purpose viz., April 1, 1978 and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): The demand of the Staff Side regarding the merger of dearness allowance sanctioned to the Central Government employees at the Consumer Price Index average level of 272 with their basic pay at least for the purpose of pension and other retirement benefits, was discussed with the Staff Side of the Standing Committee of the National Council of the Joint Consultative Machinery along with two other Staff side demands viz., (1) interpretation of the Dearness Allowance formula and (2) enhancement/restoration of the higher rates allowed by Government while implementing the Third Pay Commission's recommendations. It had been agreed at the start of the discussions with the Staff Side that all these three demands were to be treated as a package and as such an agreement or disagreement, as the case may be, had to be on all the three demands as a whole. After discussions with the Staff Side, it was found that no agreement could be reached on the three demands, as a whole.

(b) All the three issues referred to in the reply to part (a) are being referred to Arbitration.