

# COMMITTEE ON PETITIONS

(SEVENTH LOK SABHA)

TENTH REPORT



[Presented to Lok Sabha on 22-10-1982]

**LOK SABHA SECRETARIAT  
NEW DELHI**

October, 1982/Asvina, 1904(Saka)

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**Corrigenda to Tenth Report of  
the Committee on Petitions  
(Seventh Lok Sabha)**

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COMPOSITION OF THE COMMITTEE ON PETITIONS  
(1982-83)

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Shri R. L. Bhatia

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Shri S. S. Chawla—*Senior Legislative Committee Officer*

# TENTH REPORT OF THE COMMITTEE ON PETITIONS (SEVENTH LOK SABHA)

## I

### INTRODUCTION

1.1 I, the Chairman of the Committee on Petitions, having been authorised by the Committee to present the Report on their behalf, present this Tenth Report of the Committee to the House on the following matters:—

- (i) Petition No. 3 regarding establishment of Ratnagiri Aluminium Project in Maharashtra.
- (ii) Petition No. 4 regarding solution of problem of foreign nationals in Assam within the provisions of the Constitution.
- (iii) Petition No. 6 regarding ban on export of frogs' flesh.
- (iv) Representation regarding import of 10,000 tonnes of soda ash free of duty for distribution to actual users etc.
- (v) Action taken by Government on the recommendations of the Committee on Petitions contained in their Twentieth Report (Fifth Lok Sabha) on the representation regarding applicability of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 to M/s. Kanpur Jute Udyog, Kanpur.
- (vi) Action taken by Government on the recommendations of the Committee on Petitions contained in their Seventh Report (Seventh Lok Sabha) on representation regarding grievances and demands of workers of Departmental and Cooperative canteens in Government offices.
- (vii) Action taken by Government on the recommendation of the Committee on Petitions contained in their Seventh Report (Seventh Lok Sabha) on the matter regarding restoration of commuted portion of pension of Central Government pensioners.

1.2 The Committee considered the above matters at their sittings held on 24 December, 1976, 4 December, 1980, 2 April and 17 September, 1981 and 23 August and 4 September, 1982.

1.3 The Committee considered their draft Report at their sitting held on 18 October, 1982 and adopted it.

1.4 The observations/recommendations of the Committee on the above matters have been included in this Report.

NEW DELHI;  
18 October, 1982  

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26 Asvina, 1904 (Saka)

R. L. BHATIA,  
*Chairman,*  
*Committee on Petitions.*

## II

### PETITION NO. 3 REGARDING ESTABLISHMENT OF RATNAGIRI ALUMINIUM PROJECT IN MAHARASHTRA

---

2.1 Petition No. 3 signed by Shrimati Kusum Ramchandra Abhyankar, ex-M.L.A. and others of Distt. Ratnagiri regarding establishment of Ratnagiri Aluminium Project in Maharashtra, was presented to Lok Sabha on the 21st March, 1980, by Shri Bapusaheb Parulekar, M.P.

#### A. Petitioners' Grievances and Prayer

2.2 In their petition (*See* Appendix-I), the petitioners stated *inter alia* as follows:—

“The Ratnagiri Project of Aluminium Plant, hailed as a destiny project for the economic up-lift of backward Konkan, is still not out of woods so far Government of India is concerned and has been hanging fire for about eleven years now.

\* \* \* \* \*

The project was finalised as early as 1966 by the Planning Commission which allocated Rs. 135 crores for two Aluminium Plants—one at Korba in Madhya Pradesh and the other at Ratnagiri (Maharashtra)—to be constructed by BALCO, and to be completed towards the end of the Fifth Plan. But for reasons known to itself, the Corporation has been unenthusiastic about the set up of the Plant in Maharashtra. The Korba Plant is now on stream, while the project report for Ratnagiri Plant is still gathering dust in the BALCO Office in New Delhi and it is, in spite of Rs. 1.37 crores initially invested for the acquisition of land and the preparation of blue prints made by the Central Government.

Ratnagiri, the large coastal District of Maharashtra, popularly known as ‘the Konkan Coast’ has traditionally been a ‘poor relation’ with an ailing history of negligence, poverty and backwardness. The region has over the years received a very small cut of the Industrial Cake as compared to other Districts in the State.

\* \* \* \* \*

Ratnagiri is the poorest district in Maharashtra and is often referred to as the money-order economy.

\* \* \* \* \*

New Alumina Plants have come up in Kutch in Gujarat State and two more plants are coming up in Andhra Pradesh and Orissa States. However, the ups and downs in regard to the green signal for Aluminium Project at Ratnagiri are continuing and nobody in the official quarters is able to predict with certainty whether the project will at all go finally.

\* \* \* \* \*

Location of the Project at Ratnagiri was finally decided by the Central Government in April 1974 as the State Government was encouraging the industrial complex of Ratnagiri. Over all these years the infra-structure has been built up at a cost of Rs. 3 crores and Ratnagiri has been developed as an all-weather port to facilitate the import of machinery and export of alumina.

\* \* \* \* \*

Our Member of Parliament from Ratnagiri Constituency, Shri Bapusaheb Parulekar, wrote a letter to Shri Morarji Desai, the then Prime Minister, in this connection on 6-8-1978. That letter was replied to on 1-9-1978 by letter No. 1795/PMO-78 and the then Prime Minister informed Shri Parulekar, "The project was approved in 1974 and BALCO was appointed the agency for the implementation of this project. On account of constraints on resources it was not found possible to achieve any progress in the implementation of the project... I can only say at this stage that before a final decision is taken on the location of project, Ratnagiri project will also be taken into consideration."

2.3 The petitioners prayed that "early and prompt steps towards the establishment and commencement of Ratnagiri Aluminium Project are essential and as such immediate steps be taken for establishing this belated project, which would mean a big step towards industrialisation of rural India which is one of the goals."

*B. Comments of the Ministry of Steel and Mines  
(Department of Mines)*

2.4 The petition was referred to the Ministry of Steel and Mines (Department of Mines) for furnishing their factual comments thereon for consideration by the Committee. The Ministry of Steel and



Mines (Department of Mines) have furnished their factual comments dated the 21st June, 1980, on the points raised in the petition stating as follows:—

“The background of the Ratnagiri Project and its present position are explained in the following paragraphs:—

(1.1) M/s. Tendulkar Industries (P) Ltd. were granted an industrial licence in 1960 for setting up an aluminium smelter based on the bauxite deposits in the Kolhapur district and hydel power from Koyna. The proposal of the company for technical and financial collaboration with M/s. VAW of West Germany was also approved by Government. However, since the company failed to take effective steps for implementation of the project. Government entrusted Shri D. M. Khatau of Bombay who was already connected with this project as an associate of M/s. Tendulkar Industries, with its execution. Shri Khatau also could not go ahead with the project. In view of the inordinate delay in the setting up of the project in the private sector, the Government of India decided to take up the project in the public sector and the Bharat Aluminium Company was entrusted with its execution. BALCO commissioned M/s. VAW in January, 1966 for preparation of a Detailed Project Report. The report was submitted by M/s. VAW in July, 1966. The total cost of the project was estimated at Rs. 73.43 crores including the foreign exchange component of Rs. 18 crores. The Government were of the view that the foreign exchange component was very high and requested M/s. VAW to make greater use of indigenous equipment and services. This position was, however, not acceptable to M/s. VAW.

(1.2) The then Minister of Steel & Mines held consultations with the representatives of the Planning Commission, Ministry of Finance, Directorate General of Technical Development and the representatives of Indian Primary Producers to examine whether the project could be set up with the assistance of any of the indigenous producers. It was found that (a) it would be possible to fabricate most of the equipment needed for an aluminium project within the country itself and (b) BALCO with the assistance of an Indian firm of engineering consultants could take up detailed engineering and erection of plants and (c) foreign assistance would be required only

in regard to supply of process and operating knowhow, general supervision and guidance during detailed engineering, start up and commissioning and for training technical personnel.

(1.3) Consequently, offers for technical assistance for the project, under the revised arrangements were invited from M/s. VAW, M/s. Chemokomplex of Hungary (who were already associated with BALCO in setting up the Korba Aluminium Plant) the USSR and the Primary Producers in the country. After evaluating the offers received, it was decided in September, 1969 to select M/s. Chemokomplex as the consultants for the Project.

(1.4) The Detailed Project Report prepared by M/s. Chemokomplex in consultation with the National Industrial Development Corporation, was scrutinised by the concerned Agencies/Departments of the Government of India. Finally, the Government sanctioned the Ratnagiri Aluminium Project in April, 1974 at a total cost of Rs. 78.25 crores. It may be added that before the Project was sanctioned in 1974, Government had sanctioned in January, 1971 expenditure not exceeding Rs. 59.05 lakhs for preparatory works connected with the implementation of the Project.

(2) A provision of only Rs. 50 crores was made during the Fifth Five Year Plan for this project (as against the project cost of Rs. 78.25 crores) which was subsequently reduced to Rs. 15.50 crores in the final Fifth Five Year Plan. The Commissioning schedule was possible only if the project was allotted funds in the Fifth Plan as per the yearly revised phasing indicated below:

1974-75 .	Rs. 8.30 crores
1975-76 .	Rs. 9.00 crores
1976-77 .	Rs. 13.20 crores
1977-78 .	Rs. 12.50 crores
1978-79 .	Rs. 7.00 crores
	<hr/>
	Rs. 50.00 crores

Subsequently on account of financial constraints it was not possible to allocate the funds that would have to be steadily assured over the construction period of 5-6 years, once the construction was taken up. In this connection, the

then Minister of Finance had also informed the Chief Minister of Maharashtra in his letter dated the 18th March, 1975 that in the light of constraints in resources it was not possible for Government to undertake substantial new investment on any other project even in priority sectors in 1975-76.

- (3) In 1976 Bharat Aluminium Company Ltd. were asked to update the capital cost estimates. The capital cost estimates were updated by the Company based on 1976 prices at Rs. 118.80 crores. As the estimates need further updating based on current prices, the Bharat Aluminium Company has been requested again to update the cost estimates of the Project. This project would come up for consideration along with alumina/aluminium projects in the East Coast which are now under study before investment decisions are taken. It is added that no alumina plant has yet been set up in Gujarat. As feasibility report for the project is currently under the consideration of the State Government.
- (4) The Maharashtra Government had taken advance action and had purchased materials and equipment for supply of power to the proposed plant at Ratnagiri. The State Government did not, however, obtain the clearance of the Central Government for the purpose."

### *C. Evidence before the Committee*

2.5 The Committee at their sitting held on 2 April, 1981, examined the representatives of the Ministry of Steel and Mines (Department of Mines) and Bharat Aluminium Company on the points raised in Petition No. 3 regarding establishment of Ratnagiri Aluminium Project in Maharashtra.

2.6 Explaining the background of Ratnagiri Aluminium Project, the Chairman, Bharat Aluminium Company stated that the scheme was finalised in 1966 for setting up an Aluminium plant at Ratnagiri. The earlier consultants had to be changed because they insisted on a very large percentage of imported machinery and equipment. The National Industrial Development Corporation and Chemo-Komplex of Hungary were charged with this task and they presented the revised report. At a later stage, serious problems of infra-structure were also raised by the BALCO. Though the project site was linked by the road, there were some weak links and some other problems also cropped up and then a question was raised

whether it would be possible to tide over the problems. That was taken up in an inter-ministerial meeting who made certain recommendations. The project was finally sanctioned in 1974. After that, the decision was taken and the Government approved it, but, unfortunately financial constraints came in the way.

2.7 On an enquiry, the Chairman, BALCO, informed the Committee that the Central Government had spent as much as Rs. 1.87 crores mostly on the acquisition of land and for the blueprints which were made by the Central Government. A handful of staff was there and no worthwhile machinery had been purchased.

2.8 On being asked to state whether a fresh techno survey was necessary for that project, the Chairman, BALCO, stated that they had got the cost updated. A lot of new things had been thought of. These things would need the assistance of a consultant to update that not only from the cost point of view but also from the point of view of technology. It was also felt that for the project to be really economically viable, a survey of its size/capacity also would have to be done. For that, naturally the question came up with regard to the bauxite resources there and they felt that GSI should do some more work to have something like 70 to 80 million tonnes of bauxite proved. Presently they had only 21 million tonnes of bauxite which was considered quite insufficient for an economic size plant.

2.9 In regard to Feasibility Reports of Korba and Ratnagiri Aluminium Projects, the Additional Secretary of the Department of Mines stated that after the Government had decided in principle to set up these two plants, the first step was to commission the feasibility reports or the project reports. The Feasibility Report for the Alumina Plant was the first to be commissioned at Korba. The contract was given to Chemo-Komplex, a Hungarian firm. In respect of Ratnagiri, the Feasibility Report was commissioned around the same time with M/s. VAW, a German firm. They submitted the Feasibility Report. It was examined in 1967 or so and practically both the projects were taken up simultaneously for consideration. No discrimination was made between the two projects. There were certain difficulties. The Government of India felt that the Feasibility Report submitted by the German firm had too high a foreign exchange component. It was decided to explore the possibility of plant being done by using indigenous know-how and equipment to a greater extent. When the contract with the German firm was ended, the Government of India immediately appointed Chemo-Komplex to do the Feasibility Report for Ratnagiri Project.

2.10 The Secretary, Department of Mines, added that out of a certain Russians rouble credit available to the Government of India, allotment had been made to the Korba Project and in 1973, Korba Aluminium Plant had already been commissioned. It was thus a committed project.

2.11 The Chairman, BALCO, informed the Committee that they took up the matter actively with the Government of India for allocation of needed funds. When Rupees One crore was given in 1974-75 it was not enough to begin any work. The representative added that main problem was financial constraints after the project was sanctioned. If there had been no financial constraints, then the project would have come up as per schedule.

2.12 When asked to state the proposal for setting up the Alumina/Aluminium Projects which have been finalised recently and which are still under consideration of the Government, the Secretary of the Department of Mines stated that Orissa Alumina/Aluminium Complex had been sanctioned. The Prime Minister laid the foundation stone for that project recently. Apart from the Ratnagiri Project, there had been under consideration for quite some time a project based on the East Coast bauxite reserves which stretched out in the Andhra Pradesh area. In fact technical and economic feasibility had been gone into. For this project consultants were the Russians whereas for the Orissa project consultants were French. The Andhra Pradesh project had not reached the stage of being submitted for Government's consideration for investment approval because the financing arrangement indicated by the Russians would be far too meagre and inadequate to be able to start the work. Also the disposal of the Alumina which would come out of the project was still a question mark. All discussions were going on.

The representative of the Ministry explained that in the Orissa project which would produce eight lakh tonnes of alumina which was supposed to be in today's international conditions an economic size, they would use half of it to convert it into aluminium. The other half they would have to export despite the fact that even after the Orissa project started producing alumina, the country would be importing aluminium. This situation arose because the power required to convert alumina into aluminium was enormous. They were going to set up a captive power plant of 720 megawatt capacity at a cost of roughly 400 crores of rupees in order to convert one-half of alumina into aluminium. They had financial constraints because of which they were not able to convert the entire

alumina into aluminium. If they could convert it, the country would use the entire aluminium. In reply to a question, the representative informed the Committee that after the Korba Plant, East Coast and Orissa Projects, no aluminium project had been sanctioned.

2.13 The Secretary of the Department of Mines further stated that in 1974, the country was in great foreign exchange difficulties following oil prices rise etc. Therefore, the Finance Minister wrote to the Minister of Steel and Mines on 18th March, 1975 pointing out the problem about the enormous amount of funds required for the import of fuel, fertilizers and other priority requirements. Therefore, it would not be possible to find funds for the new project, viz. Ratnagiri and that all these questions would have to be looked into after two or three years.

This was how this project got shelved at that time. But it was again picked up by them in 1978 for examination. At that time, some work was already going on the East Coast bauxite projects. Two things had against happened. One: the technology in the world had reached a stage where size considerations became very important.

2.14 In regard to fresh techno-economic study and re-assessment of bauxite reserves, the Secretary of the Department of Mines stated that the Ratnagiri Project was intended to produce only 100,000 tonnes of alumina and 50,000 tonnes of metal. In East Coast, they were talking of 8 lakh tonnes if the project were to be economical. In fact, for the Andhra Pradesh project, the Russians indicated the capacity first as 6 lakh tonnes and then to improve the economics as 8 lakh tonnes. They agreed that a capacity of 8 lakh tonnes would be more economical. Thus, Ratnagiri would become economical, if it was going to be a bigger size project. For that purpose, they must have proven reserves of ore more than originally estimated.

That was the latest situation. So they had asked the Geological Survey of India and the Mineral Exploration Corporation to get the reserves calculated. During the current year, they had a total inventory. They were certain that 22 million tonnes of bauxite of right quality would be available in the District where the Company (BALCO) had a lease. So, they were thinking of a size of at least 3 lakh tonnes, if not 6 lakh tonnes. Otherwise, the project would not be economical. A large project would have to be thought of for which the presently estimated ore was not adequate. Therefore, firstly, the inventory and mapping work had been done. Deep exploration had to be done to see whether those deposits were available in adequate quantity. That work had been taken in hand. Then they applied the parameter that they had got by preparing the East

Coast project and make total calculations and submit that project to the Government. Since the Government approved the project on socio-economic conditions, Government would have to have a re-look after the data were available. They were working on it.

2.15 In reply to a question, the Secretary of the Department of Mines explained that the project contemplated in 1974 was not economically viable. If they could make it into a bigger project, then there was a likelihood of improving its viability. For one lakh tonnes of Alumina, the reserves were there. According to the world situation, it would be very uneconomical one, which meant they would have to bring a project of higher volume of production. So far, 59 million tonnes of reserves they had located. They had to go beyond that. But if per chance the reserves were not there, the size of the project would be itself a discouraging factor. He expressed the hope that they would gather enough information so that a decision could be taken within a year or so.

2.16 The Committee pointed out to the representatives of Government that earlier the Ratnagiri Aluminium Project was approved on certain socio-economic consideration and why that aspect was not being taken into consideration now. The Secretary of the Department of Mines stated that it was accepted for some socio-economic reasons. But later on, it was found that the return that would be available on Government investment was not much. Though it was approved at that time, it had now become less attractive. The margin of difference had gone up very much. Without making any further assumptions on the returns, the cost for aluminium in case of East Coast Project where they were basically producing Aluminium, came to Rs. 7,400/- per tonne, omitting all the other overheads and things like that. If the Ratnagiri Project had to produce on the same basis, it would cost Rs. 11,577 per tonne. So, they had to look at that margin more carefully.

The representative further stated that if the Ratnagiri Project was scaled up to three lakh tonnes of alumina, then it had to be capable of producing 1,50,000 tonnes of aluminium. For that, they needed 300 megawatts of power.

In 1966, Koyna Power Plant had just come up and it was thought that power would be available from it. But practically, every State was short of power because of industrial and agricultural demands. At present, no Electricity Board could supply that quantity of electricity in an ordinary course. It needed a captive power plant of a capacity of 500 megawatt which would cost something about Rs. 300 crores of rupees and that power plant needed coal to be transported. That problem was not the same in the case of the East Coast Project. For East Coast Project, they decided to develop a coal mines in Tal-

chur Colliery and put the power plant on the top of the coal mine and smelter plant adjoining to it.

2.17 On an enquiry, the Secretary of the Ministry of Steel and Mines (Department of Mines) informed the Committee that Planning Commission Study showed that Maharashtra would be short of power even in 1984-85. BALCO's Korba Plant in Madhya Pradesh was being given only one-third of its power requirement and it was producing only one-third of its capacity. He added that due to non-availability of power, they were producing 200,000 tonnes out of installed capacity of 820,000 tonnes of aluminium. Production of aluminium at full installed capacity would make the country self-sufficient in aluminium.

2.18 When enquired about the difference between the cost of the Project when originally conceived and at present, the Secretary of the Ministry stated that a recent up-dating done by BALCO showed that as against Rs. 78 crores thought of at that time now if the same project with the same size and technology was to be done, it would cost Rs. 190 crores.

2.19 The Ministry of Steel and Mines (Department of Mines) who were requested to state whether there was any proposal under consideration of the State Government of Maharashtra to finance the Ratnagiri Aluminium Project, have in their communication dated 22 June, 1982, stated as follows:—

“A review of the Ratnagiri Aluminium Project made during the course of formulation of the Sixth Five Year Plan revealed that the Project would not be economical unless plant size was scaled up and a more modern energy saving technology was adopted. This has necessitated further exploration in the area to establish additional reserves of bauxite required for a large sized plant. Mineral Exploration Corporation of India (A Govt. of India Undertaking) has accordingly been commissioned for reassessment of the bauxite deposits in Dhangarwadi Group and Budhagarh Group of the Kolapur area. Feasibility of the Project will be considered after reassessment of reserves, which is likely to be completed some time in 1985.

Reference is also invited to this Department's UO of even No. dated 9-9-1981 (See Appendix II) wherein it had been mentioned that the Maharashtra Government was negotiating with various parties from Middle Eastern countries for a financial package, as well as an export tie-up, for an alumina plant in the Ratnagiri region. The Maharashtra



Government has not reported any progress in the matter. Looking to the inadequate proven bauxite reserves in the region, it would also not be possible for the Central Government to issue any approval for the project at this stage."

*D. Observations/ Recommendation of the Committee*

2.20 The Committee note from the factual comments furnished by the Ministry of Steel and Mines (Department of Mines) stating that the Detailed Project Report for Aluminium Plant at Ratnagiri prepared by M/s. Chemokomplex in consultation with the National Industrial Development Corporation, was scrutinised by the concerned Agencies/Departments of the Government of India. Finally, the Government sanctioned the Ratnagiri Aluminium Project in April, 1974 at a total cost of Rs. 78.25 crores.

A provision of Rs. 50 crores was made during the Fifth Five Year Plan for this project (as against the project cost of Rs. 78.25 crores) which was subsequently reduced to Rs. 15.50 crores in the final Fifth Five Year Plan. Subsequently on account of financial constraints it was not possible for the Government to allocate the funds that would have to be steadily assured over the construction period of 5-6 years, once the construction was taken up. In this connection, the then Minister of Finance had also informed the Chief Minister of Maharashtra in his letter dated the 18 March, 1975 that in the light of constraints in resources it was not possible for Government to undertake substantial new investment on any other project even in priority sectors in 1975-76.

2.21 The Ministry of Steel and Mines (Department of Mines) have further stated that in 1976 Bharat Aluminium Company Limited were asked to update the capital cost estimates. The capital cost estimates were updated by the Company based on 1976 prices at Rs. 118.80 crores. During evidence, the representatives of the Ministry informed the Committee that now the project of the same size and technology would cost Rs. 190 crores.

2.22 In their evidence before the Committee on 2 April, 1981, the Secretary of the Department of Mines have stated that the project contemplated in 1974 was not economically viable. The technology in the world has reached a stage where size considerations have become very important. Ratnagiri Project was intended to produce only one lakh tonnes of alumina and 50,000 tonnes of metal. Ratnagiri Aluminium Project would become economically viable, if it was made a bigger size project. For one lakh tonnes of alumina, the bauxite re-

serves were there. For bigger size project, they must have proven reserves of ore more than originally estimated. So they have asked the Geological Survey of India and the Mineral Exploration Corporation to get the reserves calculated. They are also thinking of a size of at least 3 lakh tonnes, if not of 6 lakh tonnes.

2.23 In reply to Unstarred Question answered in Lok Sabha on 24-2-82, the Minister of State in the Ministry of Steel and Mines has stated as follows:—

“The Ratnagiri Aluminium Project, which was sanctioned in 1974, could not be taken up for implementation on account of financial constraints. This project was amongst those reviewed at the time of formulation of the Sixth Five Year Plan. The review showed that the project would not be economic, unless plant size was scaled up, and a more modern, energy-saving technology was adopted. It has, therefore, been decided to conduct further exploration in the area to establish additional reserves of bauxite required for a larger sized plant. After the re-assessment, the need for a fresh examination of the feasibility of the project, will be considered.”

2.24 The Committee further note from the written note dated 22 June, 1982 of the Ministry of Steel and Mines (Department of Mines) stating that “a review of the Ratnagiri Aluminium Project made during the course of formulation of the Sixth Five Year Plan revealed that the Project would not be economical unless plant size was scaled up and a more modern energy saving technology was adopted. This has necessitated further exploration in the area to establish additional reserves of bauxite required for a large sized plant. Mineral Exploration Corporation of India (A Government of India Undertaking) has, accordingly, been commissioned for reassessment of the bauxite deposits in Dhangarwadi Group and Budhagarh Group of the Kolhapur area. Feasibility of the Project will be considered after reassessment of reserves, which is likely to be completed some time in 1985.”

2.25 The Committee appreciate the concern of the Government to ensure economic viability of the projects requiring huge investments. However, the Committee feel that the Ratnagiri area where the Aluminium Project has been demanded by the petitioners is a backward area and as such Government of India should not ignore altogether the needs of economic development of the area. The Committee note that Maharashtra Government had already taken advance action in connection with the project and purchased materials and

equipment for the supply of power to the proposed plant at Ratnagiri. They also note that the Central Government had spent Rs. 1.87 crores on acquisition of land and for the preparation of blue prints. The Committee, therefore, recommend that Government should take immediate steps to reassess the bauxite reserves and even if it is not possible to establish as big a plant as on the East Coast, they should have a medium- sized plant so that the economic backwardness of the people of the area is ameliorated.

### III

#### PETITION NO. 4 REGARDING SOLUTION OF PROBLEM OF FOREIGN NATIONALS IN ASSAM WITHIN THE PROVISIONS OF THE CONSTITUTION

3.1 Petition No. 4 signed by Shri Golab Barbora, M. L. A. and other sixteen M. L. As. of Assam regarding solution of problem of foreign nationals in Assam within the provisions of the Constitution, was presented to Lok Sabha on the 11th June, 1980 by Prof. Madhu Dandavate, M. P.

##### *A Petitioners' Grievances and Prayer*

3.2 In their petition (See Appendix III) the petitioners have prayed that the august House may intervene in this matter of national importance involved in the issue of foreign nationals in Assam and—

- (a) direct the Government of India to find an immediate solution of the problem of foreign nationals in Assam within the provisions of the Constitution and existing laws of the land and bring back the normalcy in the State; and
- (b) direct the Government either to activate the Assam Legislative Assembly or to dissolve it forthwith.

3.3 Shri Bipul Choudhry, President, Asom Keshori Sangha Gauhati, and others addressed a representation (See Appendix IV) dated 4 December, 1980 regarding solution of problem of foreign nationals in Assam within the provisions of the Constitution.

##### *B. Comments of the Ministry of Home Affairs*

3.4 The petition and the representation were referred to the Ministry of Home Affairs for furnishing their factual comments thereon for consideration by the Committee. In their communications dated 23rd August, 1980 and 24th July, 1981, the Ministry of Home Affairs have stated as follows:—

*Ministry of Home Affairs communication dt. 23 August, 1980*

“So far as the conduct of elections to Lok Sabha in January, 1980 from the State of Assam is concerned, it may be

stated that in Assam poll was held in 2 parliamentary constituencies i.e., Silchar and Karimganj (SC) out of 14 constituencies as no nominations were filed in 10 Parliamentary constituencies of the State, and in one constituency the nomination of one candidate was rejected and the other validly nominated candidates withdrew their nominations. In Autonomous District (ST) constituency, the Returning Officer had expressed his inability to hold the election as sufficiently staff was not available for poll duties owing to the non-cooperation of Govt. employees.

According to the Election Commission, it will be in a position to hold election in the said 12 constituencies when it is satisfied that if held again, there will be no such failure on the part of the constituencies to elect persons, as provided in section 53 of the Representation of the People Act, 1951. This question is inter-linked with the question of deletion of names of foreign nationals from the electoral rolls.

As regards the question of influx of foreign nationals into the State and their enrolment in the electoral rolls, it may be stated that under the existing law on the subject of registration of voters in the electoral rolls, only Indian citizens above the age of 21 years are eligible to be registered as electors.

During the revision of electoral rolls in 1979 before the General Election to Lok Sabha in the State of Assam, the number of claims and objections as reported by the Chief Electoral Officer of the State is as follows:—

CLAIMS		OBJECTIONS	
Total filed	2,62,836	Total filed	3,23,821
Number accepted	1,07,140	Number accepted	98,153
Number rejected	1,51,281	Number rejected	1,40,698
Pending	4,415	Number pending	84,970

As regards the request made in para 4 of the petition, it may be stated that Govt. is fully seized of the matter. Efforts towards finding a solution satisfactory to all concerned are continuing. The Home Minister also made a statement in the House on 30-7-80."

*Ministry of Home Affairs communication dated 24 July, 1981*

"The problem of foreign nationals in Assam has been discussed in both the Houses of Parliament on many occasions. Several questions have also been answered by this Ministry during Budget Session in the Lok Sabha.

The Government believes that the problem of foreigners in Assam has to be resolved through discussions and a solution, satisfactory to all concerned, found within the framework of the Constitution keeping in view the national commitments, international obligations and agreements and humanitarian considerations. Several rounds of talks have been held with the Assam agitation leaders from February, 1980 onwards in this regard including rounds in May, 1981, and again in June-July, 1981. Thus efforts to find an acceptable solution to all sections of the people are continuing.

The popular Government headed by Smt. Syeda Anwara Taimur resigned on 28th June, 1981. On the recommendation of the Governor of Assam, President's Rule has been imposed with effect from 30-6-81."

### *C. Observation of the Committee*

3.5 The Committee note from the reply of the Ministry of Home Affairs stating, inter alia, that negotiations with the Assam agitation leaders had been held in May and again in June-July, 1981 and efforts towards finding a solution satisfactorily to all sections of people are continuing. The Committee feel that as the negotiations among the Government, the Opposition parties in Parliament and the Assam agitation leaders are still going on and the solution of the problem of foreigners in Assam have to be found within the framework of the Constitution keeping in view the national commitments, international obligations and agreements and humanitarian considerations, it would not be proper for them to intervene in the matter.

## IV

### PETITION NO. 6 REGARDING BAN ON EXPORT OF FROGS' FLESH

4.1 Petition No. 6 signed by Shri Dutta Tamhane, ex-M.L.C. (Maharashtra) and others regarding ban on export of frogs' flesh was presented to Lok Sabha on 7 August, 1980 by late Shri R. K. Mhalgi, M. P.

#### *A. Petitioners' Grievances and prayer*

4.2 In their petition (See Appendix V), the petitioners stated as follows:—

“In recent years there is a great destruction of paddy cultivation due to a sort of pest called “KHOD-KIDA” in regional language. These most dangerous insects breed in the very stem of the crop. Practically all chemical pesticides have proved to be ineffective in eradicating this pest menace. The Zila Parishads and other local bodies do undertake a programme of spraying insecticides and recover the amount of expenses from the concerned agriculturists and the remedy proves costlier than the disease. In some areas this operation is made compulsory by law and the agriculturist has to be a victim of the pest as well as these semi-government measures.

Since the year 1972-73, this pest is responsible for destructing nearly one third of the paddy crop every year. After all the methods for stopping this menace are over, now the agriculturists are being advised to take out all the roots of paddy after reaping is over and burn them to ashes. This method is also very expensive and cannot be said to be a foolproof method. At times, old people who stay in a particular locality suggest some remedies which the experts either do not know or reject them as primitive. In this case too, we are afraid, the same thing is happening.

According to the old and experienced agriculturists in this area, the “KHOD-KIDA” is not a new menace. But it never took a dimension as it has taken today only because of the ecological balances created by the nature itself. Frogs living abundantly in paddy fields are the natural enemies of this pest. Frogs devour small worms of this

pest and completely destroy them. So rearing of frogs in the fields is, perhaps, the most effective remedy for the eradication of this pest.

But alas, Government policy of exporting frogs' flesh as a delicacy for dinning tables is responsible for total destruction of frogs. People engaged in this trade hire people for catching frogs and in spite of the villagers requests frogs are trapped and despatched to canning factories. All efforts on behalf of village panchayats or influential agriculturists to stop this destruction of frogs become futile as it has become a lucrative employment to a number of poor people.

According to them, the remedy lies in stopping the export of frogs' flesh. This will immediately stop the destruction of frogs and the frogs who thrive on worms, will destroy the "KHOD-KIDA" menace."

4.3 The petitioners have prayed that as no other remedy is open for them to press this suggestion, the Lok Sabha through its Committee on Petitions may investigate into the matter, and if satisfied, recommend to the Government a ban on export of frogs' flesh.

#### B. Comments of the Ministries of Commerce and Agriculture

4.4 The petition was referred to the Ministries of Commerce and Agriculture for furnishing their factual comments thereon for consideration by the Committee on Petitions.

4.5 In their factual note dated 30 September, 1980 (See Appendix VI), the Ministry of Commerce have, *inter alia*, stated that in the Southern States, agriculturists have not pointed out any such problems due to catching of frogs from their paddy fields and that there is very little role for frogs to play in keeping the paddy stemborer pest under control and the measures already in force are adequate for conservation of frogs population in India.

4.6 In their factual note dated 15 May, 1982, the Ministry of Agriculture (Department of Agriculture and Cooperation—Trade Division) have, *inter alia*, stated as follows:—

"Most of the export takes place from Cochin, Bombay, Madras and Calcutta. The quantity exported in 1979-80 was of the order of 2900 M.T. valued at about Rs. 680 lakhs. The only fleshy part of a frog being exported in the legs. One kg. of frog legs will contain legs of about 12—15 fully



grown frogs. At this rate about 435 lakhs of frogs were killed for export of froglegs."

4.7 The Ministry of Agriculture have also furnished the comments of various Institutions on the petition (See Appendix VII). The views expressed by some of them are reproduced below:—

*"Zoological Survey of India.*

Whether the increase of paddy stemborers/mosquitoes has any direct bearing on killing of frogs or not is still to be worked out. A research finding in 1975 indicated that due to removal of frogs from the fields there was an increase in the number of land crab in the agricultural areas which caused damage to the wet land crops. Dr. Biswas, Dy. Director, Zoological Survey of India had advised that indiscriminate destruction of frogs has resulted in spurt not only in the number of agricultural but also human and cattle diseases.

*Konkan Krishi Vidyapeeth, Ratnagiri*

"The study indicated that the existence of frogs in rice fields is necessary for minimizing pest infestation. The study stated that the conservation of the natural enemy reservoir is of immense importance in the concept of integrated pest management.

*I.C.A.R.*

The findings of the ICAR are that frogs feed on a number of pests which damage paddy crop. The degree to which frogs play a role in checking the incidence of rice stem-borer and brown plant hopper is not yet quantified. Nevertheless, it has to be admitted that frogs do play a role in checking the incidence of brown plant hopper. Froglegs should not be exported indiscriminately from the country and only export of frog flesh by registered frog farmers should be promoted. Any export of frog flesh by registered frog farmers should be promoted. Any export of frog-flesh taken from the wild may be totally banned."

4.8 The Ministry of Agriculture have now recommended that during 1982-83 export of frog legs should be curtailed quantity-wise by 25 per cent of the exports made in 1981-82. These recommendations have been made to the Commerce Ministry which is the nodal Ministry for finalising the Export Policy.

*C. Recommendations of the Committee*

4.9 The Committee have noted the views of various Institutions furnished by the Ministry of Agriculture (Department of Agriculture and Cooperation) about the role played by the frogs in keeping paddy stemborer pest under control. The findings of the ICAR are that frogs feed on a number of pests which damaged paddy crop. The degree to which frogs play a role in checking the incidence of rice stemborer and brown plant hopper has not yet been quantified. Nevertheless, it has to be admitted that frogs do play a role in checking the incidence of brown plant hopper. The ICAR have further submitted that frog legs should not be exported indiscriminately from the country and only export of frog flesh by registered frog farmers should be promoted. Any export of frogs' flesh taken from the wild may be totally banned.

4.10 The Committee further note that the Ministry of Agriculture have recommended to the Ministry of Commerce which is nodal Ministry for finalising the Export Policy that during 1982-83 export of frog legs should be curtailed quantity-wise by 25 per cent of the exports made in 1981-82. The Committee feel that in the light of the experience of the new export policy in the matter if there is no marked improvement in the destruction of paddy cultivation by pest, the export of frogs flesh should be further reduced to 50 per cent of the quantity exported at present.

4.11 The Committee also desire the Ministry of Commerce to examine the suggestion made by ICAR that export of frogs' flesh by registered frog farmers only should be promoted and any export of frogs' flesh taken from the wild be totally banned.

## REPRESENTATION REGARDING IMPORT OF 10,000 TONNES OF SODA ASH FREE OF DUTY FOR DISTRIBUTION TO ACTUAL USERS ETC.

5.1 Sarvashri Motibhai R. Chowdhary, Harikesh Bahadur and Prof. Ajit Kumar Mehta, MPs, forwarded a representation dated 23 April, 1981 (Appendix VIII) signed by the President and the Secretary-General, All India Silicate Manufacturers' Association, Calcutta regarding import of 10,000 tonnes of soda ash free of duty for distribution to actual users. Another similar representation dated 27 April, 1981 (Appendix IX) was received from the President, All India Glass Manufacturers' Federation, New Delhi.

### A. Petitioners' Grievances and Prayer

5.2 In their representations, the petitioners stated *inter alia* as follows:—

"In early 1978 artificial shortages and black market re-appeared. The All India Silicate Manufacturers' Association (AISMA), an association looking after the interest of over 500 Sodium Silicate Industries in the tiny sector, raised its voice of protest and organised a strong consumer resistance. Representations were made to the Government. All India Glass Manufacturers Federations and All India Washermen's (Dhobies) Federation etc., joined the movement. Press took the cudgels against the monopolists.

\* \* \* \* \*

The whole gamut of the problem covering production, distribution, pricing, malpractices and victimisation of Shri Singhania was thoroughly discussed in Rajya Sabha on 7th and in the Lok Sabha on 14th August, 1978 when the following assurances were given by the then Minister of Petroleum and Chemicals:—

- (1) A high-powered probe Committee would go into the entire problem of soda ash and the Report of the Committee would be placed before the Parliament within three months;
- (2) A Standing Committee would be formed to go into the matters of production, distribution and other related aspects of soda ash;

- (3) Price of soda ash would not be allowed to be increased arbitrarily and that the BICP had already been asked to conduct a study of the cost structure of soda ash;
- (4) Import of soda ash would be decanalised, put on open general licence with import duty completely removed; and
- (5) Victimisation of the President of All India Silicate Manufacturers' Association would not be allowed.

\* \* \* \* \*

Parts of the above assurances were implemented in a half hearted and piecemeal manner after procrastination and other parts were not implemented at all.

Following the discussions in the Parliament, the Minister for Petroleum and Chemicals called a meeting on 26th August, 1978 in his Chamber. He asked the All India Silicate Manufacturers' Association and the All India Glass Manufacturers Federation to organise imports on urgent basis 10,000 tonnes of soda ash each *free of Import Duty*.

\* \* \* \* \*

Import duty was reduced to 5 per cent for All India Glass Manufacturers Federation (large sector) and to 35 per cent for All India Silicate Manufacturers Association (tiny sector) instead of total abolition of duty as committed by the Government.

\* \* \* \* \*

In contradiction to our norms of social justice and equity, duty @ 35 per cent was imposed to the tiny sector whereas the organised sector was let off with 5 per cent duty.

\* \* \* \* \*

Due to non-implementation of Government Assurances made in the Parliament, flaw in the import policy, administrative slackness and loopholes, blockade of imports by AISMA, soda ash became a paradise of speculators and hoarders.

The petitioners prayed as follows:—

- (i) Assurances given in the Parliament are honoured and implemented faithfully and realistically;
- (ii) Thorough enquiry be made in the circumstances why All India Silicate Manufacturers Association (an association of tiny sector) could not effect import;

- (iii) All India Silicate Manufacturers Association should be allowed to import 10,000 tonnes of soda ash at NIL DUTY as promised by the Government and/or the same quantity of soda ash be allotted to the Association for distribution amongst its members free of duty out of the import being made by the State Chemicals and Pharmaceuticals Corporation; and
- (iv) Thorough enquiry be made about the victimisation of the organisers of the consumer resistance and action should be taken against the victimisers."

*B. Comments of the Ministry of Petroleum, Chemicals and Fertilizers (Department of Chemicals and Fertilizers)*

5.3 The representation dated 23 April, 1981, was referred to the Ministry of Petroleum, Chemicals and Fertilizers (Department of Chemicals and Fertilizers) for furnishing their factual comments thereon for consideration by the Committee. In their factual note dated 29 September, 1981 (Appendix X), the Ministry of Petroleum, Chemicals and Fertilizers (Department of Chemicals and Fertilizers) stated *inter alia* as follows:—

"Soda ash was in short supply during the year 1978, 1979 and early 1980. As a result of the measure taken by the Government, the availability of soda ash has improved considerably. It is easily available in the market at prices no different from the manufacturers' prices. The open market price of soda ash which was as high as Rs. 3,000/- to Rs. 3,600/- per tonne in 1978 and was ruling at Rs. 3,000/- per tonne over a year has now come down to Rs. 2,200/- per tonne which is the same as the manufacturers' price. There is no statutory control over the price and distribution of soda ash and the Government have been relying on the two mechanism of informal monitoring of production and distribution of soda ash and of adequate imports to meet the gap between indigenous production and demand.

\* \* \* \* \*

In order to help small scale industrial units, 19,100 tonnes of soda ash light were imported by the State Chemicals and Pharmaceuticals Corporation of India (CPC) during the year 1970-80 and distributed mainly to small scale units and State Units both directly and through State Government Organisations. This year also CPC has imported about 10,000 tonnes of the material and about 9,000 tonnes are still available with them for distribution.

To protect the interest of the small users like house-wives and dhobies, arrangements have been made for the supply of about 1,000 tonnes of soda ash per month to the National Consumers' Cooperative Federation (NCCF) for distribution throughout the country. This can be increased if the NCCF is able to lift larger quantities.

\* \* \* \* \*

In accordance with the statement of the Minister (PC&F), a High Powered Committee under the Chairmanship of Prof. Gopal Tripathi, formerly Dean of Chemical Technology, Banaras Hindu University, was constituted on 2-9-78. The Committee presented its Report in the first week of August, 1979. The recommendations of this Committee were considered in consultation with other Departments concerned.

\* \* \* \* \*

A Standing Committee was constituted on 7-8-78 to sort out the problems of production, distribution and consumption of soda ash.

\* \* \* \* \*

During the course of the debate on 7-8-78 in Rajya Sabha, the Minister (PC&F) did state that the BICP could be requested to go into the question of price of soda ash. Accordingly, the BICP was requested to study the pricing of soda ash. The BICP submitted its report in August, 1979. Based on the reports of BICP and High Powered Committee, it was decided not to resort to statutory control over price and distribution but to depend on the twin mechanism of adequate imports on the one hand and of informal monitoring and regulation on the other.

\* \* \* \* \*

There was no assurance that import duty on soda ash would be completely removed and that associations will be permitted to import soda ash without any duty.

\* \* \* \* \*

Legally, it is not permissible to order waiver of duty only in favour of the association. Hence the question of AISMA now being permitted to import 10,000 tonnes without duty does not arise. It is open for it to arrange imports at the prevailing duties, as the AICMF is doing.

\* \* \* \* \*

All the specific allegations pertaining to the years 1978 and 1979 are devoid of substance. Because of the measures taken by the Government, the supply position has improved and the situation today is qualitatively different from that in 1978 and 1979."

*C. Observation of the Committee*

5.4 The Committee note from the factual comments furnished by the Ministry of Petroleum, Chemicals and Fertilizers (Department of Chemicals and Fertilizers) stating inter alia that soda ash was in short supply during the years 1978- 1979 and early 1980. As a result of the measures taken by the Government, the availability of soda ash has improved considerably. It is easily available in the market at prices not different from the manufacturers' prices. The open market price of soda ash which was as high as Rs. 3,000/- to Rs. 3,600/- per tonne in 1978 and was ruling at Rs. 3,000/- per tonne over a year has now come down to Rs. 2,200/- per tonne which is the same as the manufacturers' price.

The Ministry of Petroleum, Chemicals and Fertilizers (Department of Chemicals and Fertilizers) have further stated that in order to protect the interest of the small users like house-wives and dhobies, arrangements have been made for the supply of about 1,000 tonnes of soda ash per month to the National Consumers' Cooperative Federation (NCCF) for distribution throughout the country. That could be increased if the NCCF is able to lift larger quantities.

The Committee feel that as the position regarding availability of soda ash has since eased considerably, no intervention is called for on their part.

## VI

**ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS (FIFTH LOK SABHA) CONTAINED IN THEIR TWENTIETH REPORT ON THE REPRESENTATION REGARDING APPLICABILITY OF THE EMPLOYEES PROVIDENT FUND AND MISCELLANEOUS PROVISIONS ACT, 1952, TO M/S. KANPUR JUTE UDYOG, KANPUR.**

6.1 In their Twentieth Report (Fifth Lok Sabha) presented to Lok Sabha on 12 December, 1974, the Committee after considering the representation regarding applicability of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 to M/s. Kanpur Jute Udyog, Kanpur and the comments of the Ministry of Labour thereon, recommended as follows:—

“The Committee note that the Government have issued a directive to the Kanpur Jute Udyog, Kanpur, to refund workers the provident fund contributions deducted from their wages for the period 25th March, 1970 to 24th March, 1973, with interest at the rate of 6 per cent annum or at the rate earned by the employer, whichever is higher. The Committee desire the Government to inform the Committee as early as possible regarding the outcome of their above directive to the Kanpur Jute Udyog, Kanpur, and whether the requisite amounts have actually been refunded by that factory to all the concerned workers.

The Committee would also like the Government to examine the question of prosecuting the Kanpur Jute Udyog for the infringement of the law committed by them and inform the Committee of the result thereof.”

[20th Report (5LS) Para 3.4, page 8]

6.2 The matter was taken up with the Ministry of Labour for implementation of the above recommendations of the Committee. The Ministry of Labour in their communication dated 27 October, 1976, stated as follows:—

“As desired a copy of the Writ Petition filed by the Jaipur Udyog Staff Union, Kanpur and others in the Allahabad High Court is enclosed.\*

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\*Not enclosed



A copy of the order dated the 10th October, 1974 issued by the Hon'ble High Court directing the management of M/s. Kanpur Jute Udyog to submit an account of provident fund accumulations collected from employees' salaries as well as employers' contributions during the period from 25-3-1970 to 24-3-1973 is also enclosed.\* The establishment has furnished a statement to the Regional Provident Fund Commissioner, Kanpur, showing Rs. 8,21,770.90 (both employers' and employees' share) as lying with them (the money not transferred to/be deposited with Regional Commissioner). The Union has moved the High Court for direction for depositing this money by the management with the Regional Provident Fund Commissioner, Uttar Pradesh. The application is reported to be pending before the High Court.

So far as the question of prosecution of employers is concerned, it may be mentioned that M/s. Kanpur Jute Udyog were allowed in fancy period from 25-3-1970 to 24-3-1973 vide Central Government direction dated 22-4-1974 issued under Section 19A of the 'Employees' Provident Fund and Miscellaneous Provisions Act, 1952. A copy of the same was forwarded to the Lok Sabha Secretariat vide this Ministry UO note of even number dated 13th May, 1974. It is against this decision of the Government that the Workers Union have filed a Writ Petition. No stay order or direction has been issued by the High Court for prosecution or otherwise. Since the establishment was allowed infancy benefit upto 24-3-1973 vide direction issued under section 19A, the question of prosecution of employer does not arise until the Hon'ble High Court issues any direction to the contrary. It is, however, not possible to say with any exactitude, the time that the Hon'ble High Court will take for disposal of this case.

6.3 The Committee on Petitions at their sitting held on 24 December, 1976, considered the above reply of the Ministry of Labour in the matter. The Committee noted that the Management of M/s. Kanpur Jute Udyog had furnished a statement to the Regional Provident Fund Commissioner, Kanpur, showing Rs. 821,770.90 p. (both employers' and employees' share) as lying with them. The Employees Union had moved the Allahabad High Court for direction for depositing that money by the Management with

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\*Not enclosed

**the Regional Provident Fund Commissioner, Uttar Pradesh. That application was reported to be pending before the High Court. The Committee also noted that the writ petition filed by the Workers' Union in the Allahabad High Court against the decision of the Government to allow infancy period to that firm from 25-3-1970 to 24-3-1973 was pending before the High Court. The Committee decided to await the decision of the High Court in the matter.**

**6.4 In their latest reply dated 15 May, 1982, the Ministry have intimated that according to available information, the writ petition filed by the Kanpur Jute Udyog Staff Union is still pending for hearing in the High Court of Allahabad.**

**6.5 The Committee trust that appropriate action will be taken by Government in the light of the final decision of the High Court.**

**ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS CONTAINED IN THEIR SEVENTH REPORT (SEVENTH LOK SABHA) ON REPRESENTATION REGARDING GRIEVANCES AND DEMANDS OF WORKERS OF DEPARTMENTAL AND COOPERATIVE CANTEENS IN GOVERNMENT OFFICES**

7.1 In their Seventh Report (Seventh Lok Sabha) presented to Lok Sabha on 24 December, 1981, the Committee considered a representation regarding grievances and demands of workers of Departmental and Cooperative canteens in Government offices and made certain recommendations.

7.2 The Ministry of Home Affairs (Department of Personnel and Administrative Reforms) were requested to implement the recommendations of the Committee. The recommendations of the Committee and action taken replies dated April and 8 July, 1982 thereon furnished by Government are given below seriatim:—

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Recommendations made by the  
Committee (Para 2.19)

Action taken by Government

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(i) The Government should draw up a programme for gradually extending financial benefit other facilities to canteens employees at par with the Central Government employees.

Canteens employees were allowed a flat rate of Dearness Relief of Rs. 5/- per month. on every 8 point rise in the cost of living index. After examining the quantum of relief to be given to the canteen employees, keeping in mind the benefits admissible to corresponding Central Government employees the question of introducing a slab rate system of the additional Dearness Relief, instead of the flat rate is currently under examination of Government. As and when this is approved and implemented, it can be stated that the canteen employees would have moved one step further to being treated at par with Central Government employees. It is, however, felt that since running of canteens for Government employees cannot be considered as one of the direct functions of Government, but treated only as a matter incidental to it, it would not be appropriate to treat canteen employees as fulfilled Government servants and to extend to them... financial and other facilities at par with Central Government employees as recommended by the Committee

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on Petitions. Government, however, assure the Committee on Petitions that the demands of the canteen employees would be considered sympathetically at appropriate level and since separately it has been proposed to have a forum in the form of Welfare Councils, to deal with their demands from time to time, such matters would be considered and dealt with in such forums.

- (ii) Government should not take over the management of Departmental canteens. Nor there is necessity of setting up a Corporation to run these canteens. Each Department should have full freedom to run the canteens by a Managing Committee consisting of representatives of local Head, Government servants and canteen staff. Proposed participative welfare forum in major cities should be finalised expeditiously and constituted.
- It has been decided to accept this recommendation of the Committee. Ministries/Departments. are being advised accordingly.
- (iii) Standardisation of sale prices of eatables served in these canteens is neither feasible nor desirable. Managing Committee of the canteens should decide the sale prices of eatables at reasonable rates on 'on profit no loss' basis.
- It has been decided to accept this recommendation. Ministries/Departments are being informed accordingly.
- (iv) Medical allowance which is Rs. 10/-p. m. at present should be augmented to a higher figure in case CGHS facility is not extended to canteen workers.
- The question of enhancing the present medical allowance of Rs. 10/-is under consideration of Government.
- In their subsequent communication dated 8 July, 1982, the Ministry of Home Affairs (Department of Personnel and Administrative Reforms) have stated that the medical allowance admissible to the canteen employees has since been increased from Rs. 10/-to Rs. 20/-p. m. with effect from 1-4-1982.
- (v) Subsidy on account of the pay of canteen staff which is 70% at present should be increased to 100%.
- It is not proposed to accept this recommendation because it is felt that in order to have some semblance of commercial approach, it is necessary that part of the expenditure should be met by the canteens themselves; otherwise there is likely to be a tendency of ignoring costs and not caring about economy etc. This will not, however, affect the welfare of the workers of the canteens.

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- (vi) Department of Personnel and Administrative Reforms should take keen interest in the smooth and efficient functioning of canteens in Government offices and in the welfare of canteen workers. This recommendation has been noted.
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**7.3 The Committee note the action taken by the Government on the recommendations contained in their Seventh Report (Seventh Lok Sabha in the matter.**

## VII

### ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATION OF THE COMMITTEE ON PETITIONS CONTAINED THEIR SEVENTH REPORT (SEVENTH LOK SABHA) ON THE MATTER REGARDING RESTORATION OF COMMUTED PORTION OF PENSION OF CENTRAL GOVERNMENT PENSIONERS

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8.1 In their Seventh Report (Seventh Lok Sabha) presented to Lok Sabha on 24 December, 1981, the Committee considered action taken replies of the Government on the recommendation contained in their Ninth Report (Sixth Lok Sabha) on the representation regarding grievances and demands of pensioners and observed as follows:—

“The Committee note the position stated by Ministries of Finance (Department of Expenditure), Home Affairs (Department of Personnel and Administrative Reforms) and Works and Housing in their action taken replies on the recommendations contained in their Ninth Report (Sixth Lok Sabha) in the matter.

In case of recommendation in para 2.50 of the Ninth Report (6 LS) regarding restoration of commuted portion of pension of the Central Government pensioners, the Committee are not satisfied with the position stated by the Ministry of Finance (Department of Expenditure) in the matter. The Committee reiterate their recommendation that commuted portion of pension be restored to those pensioners who have outlived their commutation period.

In case of recommendation regarding pensioners' representative on JCM, the Committee note that in view of terms of reference of National Council of JCM, Government do not consider it necessary to include pensioners' representative on JCM. However, the Government propose to include the grievances and problems of pensioners in the scope of proposed administrative tribunals.”

[Para 4.4, pp. 31-32, Seventh Report (7LS)]

8.2 The Ministry of Finance (Department of Expenditure), with whom the above recommendation of the Committee was taken up

for implementation, have in their communication dated 11 March, 1982, stated as follows:—

“The matter has been reconsidered carefully, The request of the pensioners is that those pensioners who had outlived the period of 10 to 11 years after the commutation of pension should be taken to have repaid to the Government the commuted value by short drawal of pension and therefore, the cut in their pension should be restored. Such representations are based on the misapprehension that the conversion factor of 10.46 used for commutation at age 58, represents the number of years. In fact, this conversion factor is derived from the rate of interest on Government securities and the experience of mortality among Government employees.

Commutation is not compulsory, but is an optional facility available to pensioners to exchange a life-time benefit for an immediate one, for meeting immediate liability or for making investments or acquiring assets. It is for the individual concerned to make a choice. Obviously, the arrangement involves an element of risk for both parties—the pensioners obtaining the lump-sum commuted value may die before the period of commutation is over in which case Government stands to lose; or on the other hand, he may outlive the assumed survival period in which case he considers himself to be a loser.

The Scheme of commutation of pension has to be viewed as part of package which is based on the longevity experience of the entire lot of retired employees. This is in the nature of life insurance, the financial viability of which depends on a balance between losses and gains.

In view of the position explained above it is not possible to accept this demand of the pensioners.”

8.3 The Ministry of Home Affairs (Department of Personnel and Administrative Reforms) in their subsequent communications dated 22 June and 5 July, 1982 have stated as follows:—

“From a perusal of para 4.4 of the 7th Report of the Committee on Petitions relating to representation of pensioners on the JCM it is clear that there is no further action to be taken on the part of the Joint Consultative Machinery in regard to pensioners.”

"The proposal relating to the constitution of Administrative Tribunals under the Central Government is still under active consideration as various administrative and legal aspects establishing such Tribunals are under examination. As soon as the final decision is arrived at, action will be taken accordingly."

8.4 The Committee note the position stated by the Ministries of Finance (Department of Expenditure) and Home Affairs (Department of Personnel and Administrative Reforms) in their action taken replies on the recommendation/observation of the Committee contained in their Seventh Report (Seventh Lok Sabha) in the matter. The Committee are not satisfied with the position stated by the Ministry of Finance (Department of Expenditure) in regard to restoration of commuted portion of pension of Central Government pensioners. The Committee reiterate their recommendation that commuted portion of pension be restored to those pensioners who have outlived their commutation period on humanitarian consideration.

NEW DELHI;  
18 October, 1982  

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26 Asvina, 1904 (Saka).

R. L. BHATIA,  
Chairman,  
Committee on Petitions.



## APPENDIX I

(See para 2.2 of the Report)

[Petition No. 3 re, establishment of Ratnagiri Aluminium Project in Maharashtra]

### LOK SABHA

#### PETITIONS NO. 3

(Presented to Lok Sabha on 21-3-1980)

To

LOK SABHA,  
NEW DELHI.

The humble petition of Shrimati Kusum Ramchandra Abhyankar, Ex-MLA, Ratnagiri (Maharashtra) and others.

#### SHEWETH

1. The Ratnagiri Project of Aluminium Plant, hailed as a destiny project for the economic uplift of backward Konkan is still not out of woods so far Government of India is concerned and has been hanging fire for about eleven years now. A row of run down, dilapidated sheds—their windows broken, Sun-bars faded—stand ghostlike and forlorn on a dusty plain. They are the only evidence of the Rs. 80 crores—Aluminium Plant, which was to have been set up at Ratnagiri (Maharashtra) by the public sector Undertaking, Bharat Aluminium Company (BALCO), over eleven years ago.

2. The Project was finalised as early as 1966 by the Planning Commission which allocated Rs. 135 crores for two Aluminium Plant one at Korba in Madhya Pradesh and the other at Ratnagiri (Maharashtra)—to be constructed by BALCO, and to be completed towards the end of Fifth Plan. But for reasons known to itself, the Company has been unenthusiastic about the set up of the Plant in Maharashtra. The Korba Plant is now on stream, while the Project report for Ratnagiri Plant is still gathering dust in the BALCO office in New Delhi, and it is inspite of Rs. 1.37 crores initially invested for the acquisition of land and the preparation of blue-prints made by the Central Government.

3. Ratnagiri, the large coastal District of Maharashtra, popularly known as "the Konkan Coast" has traditionally been a "poor

relation" with an ailing history of negligence, poverty and backwardness. The region has over the years received a very small cut of the industrial take as compared to other Districts in the State. The Ratnagiri Aluminium Project has been illfated. The work on the Project was interminably delayed; the Government has reduced the allocation from Rs. 80 crores to Rs. 45 crores and for a while contemplated abandoning the Project altogether due to financial constraints. But mass public support for the 50,000 tonne integrated smelter plant, which is looked upon as a partial answer to the unemployment problem in the district, saved it from being shelved altogether. Ratnagiri is the poorest district in Maharashtra and is often referred to as the money-order economy. Infertile soil (sometimes as little as 6" of soil on hard sheet rock, on which only inferior quality millets can be grown), a total absence of any kind of industry (the only Factory operating in Ratnagiri is the J. K. Files, Industrial Files—which is also now closed down) and failure to build an infrastructure conducive to the growth of industry has resulted in a steady exodus of people (mostly men) towards Bombay.

It is reported that every month money orders worth Rs. one crore and 60 lakhs are sent to their homes by people from this district staying in Bombay. The money orders sent back home by these immigrants form the bulk of the district economy. The migration has also created imbalance in population. There are twelve lakhs women as against eight lakhs men, and there are many so-called "ghost villages" which are inhabited only by women, children and old people. The Managing Director of the Development Corporation of Konkan area has said "Ratnagiri is classic example of what is known as the process of impoverishment. The people are poor because the land is ill-fertile. They have to go away to seek employment elsewhere. In their absence the land becomes poorer and poorer each year. So more people have gone away. It is a vicious circle of no development. What is needed to break it is the creation of infrastructure of industry." And it is because of this, the Government of India, decided to have the Aluminium Plant at Ratnagiri as far back as in 1966.

4. As per the original announcement of the Government the Plants at Korba (M.P.) and Ratnagiri (Maharashtra) were to commence operation simultaneously; the Korba Plant has gone in production, while the construction of Ratnagiri Plant has not yet been commenced. New Alumina Plants have come up in Kutch in Gujarat State and two more Plants are coming up in Andhra Pradesh and Orissa State. However, the ups and downs in regard to the

green signal for aluminium Project at Ratnagiri are continuing and nobody in the official quarters is able to predict with certainty whether the project will at all go finally. Shri Biju Patnaik, the then Hon'ble Minister for Steel and Mines, had assured by a reply to the USQ 727, dated 17-11-1977 that there is no intention to abandon the Plant. However, by replies to USQ Nos. 1560 dated 24-11-1977; 6092 dated 4-8-1977. 6172 dated 4-8-1977; and 3569 dated 14-7-1977 he has stated that the construction would not be taken up due to financial constraints, which make it difficult to assure the Project of the funds which would be needed. And in reply to USQ No. 7539 dated 20-4-1978, he has further stated 'Ratnagiri Aluminium Project is an approved project and which has not been possible to take up so far, due to financial constraints. If some private sector parties are interested in this project Government would consider any specific proposal on merits'. The petitioners feel that this answer impliedly suggests that the project would not be undertaken in a public sector.

5. The record shows that construction of seven mile 220 K.V. single circuit transmission line at an estimated cost of Rs. 70.33 lakhs to supply power to the proposed Alumina plants near Chiplun, Ratnagiri district (where the Plant was proposed to be constructed—initially) was provided in the approved estimates of 'Koyana Project. Subsequently, it was proposed to locate the plant either at Ratnagiri or at Jaigad in the same district and consequently 48 mile circuit 220 K. V. transmission line with allied terminal facilities at an estimated cost of Rs. 154.23 lakhs was provided in the Project under the Development Credit Agreement with the International Development Association.

6. As the decision of the location of the Aluminium Plant was not forthcoming from the Central Government, it was decided by the Maharashtra Government in July 1966 to go ahead with the import of required materials so that the foreign exchange component of the expenditure could be incurred and its re-imburement obtained from the International Development Association. The material and equipments such as switch gear, transformers, insulators, aluminium and zink ingots, steel angles, costing Rs. 83'45 lakhs were received by March 1969. Rs. 7.99 lakhs were also spent between June 1969 and May 1973. On establishment, the expenditure was Rs. 7.51 lakhs and the survey work Rs. 0.28 lakhs by Division set-up mainly for this work; and as the location was not finalised by the Central Government, all this material was handed to the Maharashtra State Electricity Board by the State Government of Maharashtra.

7. Location of the Project at Ratnagiri was finally decided by the Central Government in April 1974 as the State Government was encouraging the industrial complex of Ratnagiri. Over all these years the infra-structure has been built up at a cost of Rs. 3 crores and Ratnagiri has been developed as an all-weather port to facilitate the import of machinery and export of alumina.

8. In fact, the State Government had proposed to have the foundation stone of the Project laid on October 2, 1974. The then Chief Minister of Maharashtra had approached the then Prime Minister (Mrs. Indira Gandhi) to lay the foundation, but she could not come as she was pre-occupied and the foundation stone of the project could not be laid down.

9. In taking a firm decision to set up the Project at Ratnagiri, one factor that was taken note of was the inexhaustible supply of raw material resources. Bauxite is in abundance about 70 miles from Project site at Dhangar-Wada and Udgir. This bauxite which is to feed the plant at Ratnagiri is richer than the Korba ore, the former containing 51 per cent alumina as against 45.47 per cent in the latter, that is, at Korba.

10. The 50,000 tonnes Ratnagiri Plant is being set up with Hungarian collaboration. This project was to be included in the Fifth Plant and it is reported that such an assurance was given by the Government on the floor of the House.

11. Ratnagiri was chosen a location because it was an industrially backward district and being a port, setting the plant there was advantageous for export of finished aluminium. As per original schedule of expenditure a provision was made for an expenditure of Rs. 7 crores in 1976-77; Rs. 16 crores in 1977-78 and Rs. 24.90 crores in 1978-79. But the actual expenditure during 1975 was 12 lakhs. This was followed by another expenditure of 25 lakhs in 1975-76 and yet another 18 lakhs in 1977 and in the year 1977-78 it is reported that only 10 lakhs were spent and in 1978-79 only a provision of Rs. 5 lakhs was made. The petitioners feel that when the original schedule of expenditure was fixed, the financial resources must have been taken into consideration. It is, therefore, now difficult for the petitioners to appreciate as to how the question of—financial constraints has now cropped up. Even the further events that have taken place prima facie suggest that the Government is neglecting the Project and do not seem to be serious about this Project. The three highly paid Technical Officers of BALCO at Ratnagiri are only selling grass and mango fruits from the land ac-

quired for the Project and that is the only work which they are doing for the Project till today. This project under the circumstances has become a laughing stock.

12. If the earlier logic of taking up the project in right earnest when the demand and supply position merited it is expected, it would appear that the Project should be speeded up right now because of the large scale alumina imports last year and this year. But apart from Mines Ministry's attitude which baffles of understanding, it appears that there must be some other reasons which probably come in the way of Project setting up.

13. With huge industrialisation taking place all over the country, Konkan continues to be gambling in rains with its poor agriculture and much known money order economy. The years of freedom and economic progress and development did very little good to Konkan in the absence of any industrial advancement. It is the announcement of establishing Project in Ratnagiri in 1964 that enkindled the first formidable ray of hope in the minds of people of Konkan which is awaiting its extinguishment with an all pervading feeling amongst the people of Konkan that the idea of having the project here is dying. The people of Konkan are immensely pained when they suspect that the project is being shifted elsewhere. This feeling is unfortunate and we sincerely believe that there are strong grounds for the same.

14. Our Member of Parliament from Ratnagiri Constituency, Shri Bapusaheb Parulekar, wrote a letter to Shri Morarji Desai, the then Prime Minister, in this connection on 6-8-1978. That letter was replied to on 1-9-1978 by letter No. 1795/PMO-78 and the then Prime Minister informed Shri Parulekar, "The project was approved in 1974 and BALCO was appointed the agency for the implementation of this Project. On account of constraints and resources it was not found possible to achieve any progress in the implementation of the project. For one thing, the estimates have had to be revised in 1976-77 and for another, the choice is yet to be made as to how the capacity should be created in the context of plan allocations in 1978-79. These matters are under consideration. I can only say at this stage that before a final decision is taken on the location of project, Ratnagiri project will also be taken into consideration."

15. Accordingly your petitioners pray that early and prompt steps towards the establishment and commencement of Ratnagiri Aluminium Project are essential and as such immediate steps be taken for establishing this belated project, which would mean a big

step towards industrialisation of rural India which is one of the goals. Your petitioners further pray that the Lok Sabha through its Committee on Petitions may investigate, into the matter, study the entire problem and recommend the Government to establish the approved Aluminium Plant at Ratnagiri in Maharashtra at an early date and not to drop the project.

And your petitioners as in duty bound shall ever pray.

Name of the Petitioners	Address	Signature or Thumb impression
1. Smt. Kusu m Ramachandra Abhyankar, Ex-MLA	Ratnagiri	Sd/-
2. Dr. Shridhar Dattatray Natu, Ex-MLA	Guhagar, District Ratnagiri.	Sd/-
3. Shri Gangaram Daulat Sakpal Ex-MLA	Dapoli, District Ratnagiri.	Sd/-
4. Dr. Jagannath Shankar Kelkar	President Ratnagiri Municipal Council, Ratnagiri.	Sd/-
5. Shri Rajaram Shinde, Ex-MLA	Chiplun, District Ratnagiri.	Sd/-
6. Shri Bhikaji Hari Chavan	President, Ratnagiri Zila Parishad.	Sd/-
7. Shri Amritrao Bhonsle, Ex-MLA	Khed, District Ratnagiri.	Sd/-
8. Shri Anant Dhondshet Shirgaonkar	Sabhapati, Works & Health, Zila Parishad, Ratnagiri.	Sd/-

COUNTERSIGNED BY : Bapusaheb Parulekar, M.P.

## APPENDIX II

(See Para 2.19 of the Report)

[Ministry of Steel and Mines (Department of Mines) communication dated 9 September, 1981 relating to Petition No. 3 regarding establishment of Ratnagiri Aluminium Project in Maharashtra.]

### MINISTRY OF STEEL & MINES

(DEPARTMENT OF MINES)

**SUBJECT:**—Petition No. 3 regarding establishment of Ratnagiri Aluminium Project in Maharashtra.

Reference U.O. No. 51|3|CI|80, dated the 17th August, 1981, from the Lok Sabha Secretariat (Committee Branch—I), on the above subject.

A delegation led by Minister of Finance, Government of Maharashtra, and including representatives of the Government of Maharashtra and the State Industrial and Investment Corporation of Maharashtra Limited visited Dubai in June, 1981. This delegation held discussions with various industrialists and business houses of Bahrain, Kuwait, Abu Dhabi and Dubai. A Protocol of Understanding was signed between representatives of Al-Ghurair Group of Companies, Dubai and the State Industrial and Investment Corporation of Maharashtra Limited. This Protocol of Understanding, *inter alia*, covered a proposal for setting up an Alumina plant in Maharashtra. The proposed project is to have a capacity of 3,00,000 tonnes per annum of alumina in the Ratnagiri region of the State. The preliminary scheme envisages export of this alumina to Dubai and other countries, where smelting facilities already exist, or are in the process of being established. The Capital cost of the alumina project, as estimated by the signatories, is US \$90.00 million.

The Protocol of understanding lays down, in principle, the basis for further deliberations regarding location, infrastructure facilities, services, commercial matters, corporate structure, financial resources, approval from the Government and other authorities, and other necessary parameters for the launching of the joint venture, and the execution of the project.

(Sd/—J. A. Chowdhury)

DIRECTOR

Lok Sabha Secretariat (Committee Branch—I) Shri S. D. Kaura  
Chief Legislative Committee Officer, New Delhi.

Deptt. of Mines U.O. No. 1(25)/80-Met. I dated 9-9-1981.

### **APPENDIX III**

(See para 3.2 of the Report)

[Petition No. 4 regarding solution of problem of foreign nationals in Assam within the provisions of the Constitution.]

**LOK SABHA**

**PETITION NO. 4**

(Presented to Lok Sabha on 11-6-1980)

To

**LOK SABHA,  
NEW DELHI.**

The humble petition of the Members of the Assam Legislative Assembly to the august House seeking intervention of it on the crisis arising out of the foreign nationals' issue in the State of Assam.

**SHEWETH**

1. That, this is a strange and peculiar instance in the annals of the Indian Parliament that some areas of the strategic North East region of the country have not been represented in the present Lok Sabha. Mention may be made here that out of 14 representatives, Assam has been deprived of the services of 12 representatives in the Lok Sabha. The constitutional crisis and the parliamentary functioning have further been impaired in Assam as a result of the suspension of the Legislature there since December 12, 1979.

2. That in negation of the provisions of the Constitution of India and the Representation of People Act, the Government and the Election Commission of India have failed to hold election in an integral part of the country and thereby have deprived the people of Assam from exercising their the most important political rights guaranteed by our sacred Constitution.

3. That, this august House is the custodian of the Sovereignty and the Constitution of the country. No sovereign nation can permit influx of foreign nationals into its own territory. But the North East region of the country in general and Assam in particular have been experiencing the area being utilised as the dumping ground for large number of foreigners being thrown out by neighbouring countries since a long time. Besides large number of such foreigners were given political rights by entering their names in the voters' list of



the State, which has created a strong sense of political, economic, social and cultural insecurity in the minds of the people of Assam and disturbed the demographic balance of the entire N.E. region.

The magnitude of the problem created by incorporation of huge number of foreigners' name into the voters' list in Assam had even caught the attention of not less an authority than the Chief Election Commissioner of India. He admitted the alarming situation in the Conference of the Chief Election officers at Ootacamund on September 24, 1978, and exclaimed . . . "The population in the 1971 census recorded an increase as high as 34.98 per cent over the 1961 figures and their increase was attributed to the influx of a very large number of persons from neighbouring countries. The influx has become a regular feature, I think that it may not be a wrong assessment to make on the basis of increase of 34.98 per cent between the two censuses, the increase that is likely to be recorded in 1991 census would be more than 100 per cent over the 1961 census. In other words, a stage would be reached when that State may have to reckon with the foreign nationals who may in all probability, constitute a sizeable percentage, if not majority of the population in the State."

4. Accordingly, your petitioners pray to this august House to intervene in this matter of national importance involved in the issue of foreign nationals in Assam and to—

- (a) direct the Government of India to find an immediate solution of the problem of foreign nationals in Assam within the provisions of the Constitution and existing laws of the land and bring back the normalcy in the State; and
- (b) direct the Government either to activate the Assam Legislative Assembly or to dissolve it forthwith.

And your petitioners as in duty bound shall ever pray.

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Name of the Petitioners

Signature or  
Thumb  
impression

Sri Golap Barua, M.L.A.

Leader, Janata Legislature Party, Assam  
Legislative Assembly, PO-Dispur, Assam.

Sd/

and other sixteen M.L.As.

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Countersigned by: Madhu Dandavate, M.P.

10-6-1980

Division No. 438

## APPENDIX IV

(See para 3.3 of the Report)

[Representation dated 4 December, 1980 from the President, Asom Keshori Sangha, Gauhati regarding solution of problem of foreign nationals in Assam within the provisions of the Constitution]

### ASOM KESHORI SANGHA CENTRAL COMMITTEE: GAUHATI, ASSAM

Ref. FOR/79-80

New Delhi, 4th December, 1980.

To

LOK SABHA

Thro' The Hon'ble Speaker, House of the People  
(Lok Sabha),  
Parliament House,  
New Delhi.

In the matter of:—

A petition under Rule 160 of the Rules of Procedure and Conduct of Business of Lok Sabha.

The humble petition of:

ASOM KESHORI SANGHA,

a socio-economic-cum-cultural organisation of the Youths Assam, with Central Office at Gauhati, Assam represented by

1. Shri Bipul Choudhury, President
2. Shri Pradip Baruah, Vice-President
3. Shri Mukul Baruah, Assistant General Secretary, and
4. Shri Dhananjoy Das, Joint Secretary,

all of Asom Keshori Sangha, resident of Noonmati, Gauhati City, District Kamrup, State of Assam.

The Humble petition of the petitioners above named.

**MOST RESPECTFULLY SHEWETH:**

1. Late Asom Keshori Ambika Giri Roy Choudhury, born in December, 1885, espoused the cause of the Assamese language, literature, culture and civilisation all throughout his life which expired on January 2, 1967, having propagated through his various writings and editorship of Deka Asom, for the development of the Assamese society as a part of the great Indian Nation but confined in the sensitive region of Hills and Plains surrounded by alien countries on all sides and linked with the mainland India by a narrow corridor of 40 miles a bottleneck for transport, communications, cultural and social exchanges which remain frequently interrupted due to the vagaries of nature and human failures. After his death the youth of Assam became organised to carry on his struggle for amelioration of the socio-economic conditions of the people of Assam consisting of various classes and communities including tribals of divers culture and social habits and practices and it took the name of Asom Keshori Sangha.

2. That the petitioner Sangha has observed that after the partition of India, over and above the people who had migrated into Assam from neighbouring West Bengal, when it was a part of India, much larger number of people who had become aliens continued to infiltrate into the North Eastern Region, some as refugees and others without any excuse whatsoever although they formed their own country in East Pakistan and should have continued to live there.

3. That these people included some such classes who drew their inspiration from the people and authority of their own country i.e. East Pakistan and as such proved a great danger to the security and integrity of India, country of the petitioners. The petitioner Sangha aroused public opinion against such inroads of the hordes of people who not only grabbed the lands lying fallow or in occupation of the simple tribal and weaker sections of the indigenous people but also disturbed the peace and ease of the simple farming population at the instigation of their land hungry leaders.

4. That being foreigners such people must have lawfully entered into Assam, a part of India, and got themselves lawfully registered as Indian citizens, but they never cared to follow any legal procedure, dauntlessly entered and settled down and having been harboured by other people of their ethnic groups concealed themselves avoiding detection by the authorities. In the result it so happened that falsely claiming as Indian citizens they got their names entered into the Electoral Rolls of the districts in which they found place and grabbed all lands preserved for the indigenous Indian landless farmers, excess tea garden population are the population to grow

besides the tribals who may decide to come down for better living to the plans.

5. That according to the Articles 5, 6 and 7 of the Constitution of India and sections 3, 4, 5 and 6 of the Indian Citizenship Act those who came into India after the 19th day of July, 1948, were not Indian citizens. Following the partition of India into India and Pakistan some Muslims had feared communal troubles in India and left for East Pakistan, but there was a Pact between Prime Ministers of India and Pakistan that those who would return to India before 31st December, 1950, would be treated not to have lost their Indian citizenship. In case they were not present at the time of Census held in 1951 and in anyway escaped enumeration they were present at the time of preparation of the electoral rolls in 1952 for the general election and entry of their names in these rolls may be enough to hold that they were present in India at that time. Out of the enumeration slips, under the provisions of the Census Act, a National Register of Citizens was prepared and preserved in every Collector's Office in the State.

6. That the Union Ministry of External Affairs published a brochure entitled 'Influx' on the Infiltration of East Pakistanis in August, 1963, in which it was admitted that large number of people from East Pakistan illegally migrated to Assam, Tripura and West Bengal till that date and in fact there being virtually no check on the borders they still continued to infiltrate and swell the population by 34.9 per cent per decade against the Indian growth average of 11 per cent only. But in spite of such an admission the Government of India did not care to stop infiltration of new people from that country and to deport those who had illegally entered under the provisions of the Foreigners Act in spite of the demands of the Members of Parliament from Assam owing to the pressure of the people.

7. That the Prime Minister of India by his declaration dated 10th July, 1962 fixed 1952 as the 'date of enquiry' into the infiltration of foreigners into Assam, and in the Parliament the Government declared that those people who would migrate into India without any valid documents of travel after 1st April, 1965, would not be granted any rehabilitation in India. There are important rulings of the Supreme Court of India that the Executive Government cannot bestow Indian citizenship to any foreigner; it can only restore allegedly lost citizenship under Rule 30 of the Citizenship Rules, but as ill luck would have it the Union Government by issuing some sweeping directions, not tantamounting to Presidential Orders, asked the Government of Assam to register all the foreigners who entered

illegally into Assam as Indian Citizens although the Constitution of India and the Citizenship Laws did not permit such a measure.

8. That the presence of the names of foreigners on the Electoral Rolls of the State of Assam was so overwhelming that it did not escape the notice of the Election Commission and the Chief Election Commissioner, while addressing a meeting of the State Electoral Officers at Ootacamund in the latter part of 1978 expressed great concern over the matter. Accordingly the Chief Electoral Officer, Assam, verified any doubtful citizen enrolled earlier as elector when revision of the rolls was necessary to elect a Member of the Lok Sabha in place of Shri Hiralal Patwary, deceased, from Mangaldoi Lok Sabha constituency. It was disclosed that out of nearly 47,000 persons challenged as many as 36,000 could not prove that they were electors by being Indian citizens. The by-election was, however, not held as the Lok Sabha was dissolved in August, 1979.

9. That the disclosures in the Mangaldoi Lok Sabha constituency was so disturbing that a State wide agitation started against the presence of the foreigners in the State and infiltration into the electoral rolls threatening the security of the State by the election of persons on foreigners' vote or even foreigners themselves getting elected as peoples' representatives and rule over the Indian citizens. It began to be doubted whether all the M.Ps. and M.L.As. who were elected from Assam seats were so elected on the votes of the genuine Indian citizens.

10. That immediately thereafter the Press in the State became pregnant with the fears that Assam was being invaded by an unarmed army of aliens from the neighbouring East Pakistan and later Bangladesh and unless steps are taken to deport the foreigners from Assam soil, this part of the country would be lost to India before long. This followed by a non-violent Gandhian movement of satyagraha including picketing of offices of the Government, blockade of crude oil and forest produces going out of Assam in order to bring home to the people of India the seriousness of the situation. The agitation continues from phase to phase and spearheaded by All Assam Students Union and All Assam Gana Sangram Parishad, the latter being a joint body of two regional political parties and some cultural organisations and also by the petitioner Sangha involving all youth bodies of the State.

11. That the demands of the people of Assam are in short:—

- (i) The people who are foreigners be identified on the basis of (a) Constitution of India, (b) Citizenship Act read with

other relevant laws taking into consideration the National Register of Citizens prepared under the Census Act in 1951 and the Electoral Rolls of Assam published in 1952 and used in the general election held that year.

- (ii) The names of the foreigners so identified, if found on the electoral rolls, be removed so that they cannot vote at any election whatsoever.
- (iii) Those who are identified as foreigners be deported from India, unless for any reason some people should not be deported but in any case they must be taken away from Assam to other parts of the country as Assam cannot bear the burden alone.
- (iv) The people of Assam must be guaranteed in respect of preservation of their numerical majority, special identity as a race with separate language, culture and literature etc.

12. It is unfortunate, however that in spite of three round of talks with the Union Government, the people of Assam failed to secure an official declaration followed by steps in action to identify the foreigners on the basis of the Constitution of India and Citizenship Laws besides the Foreigners Act and to disfranchise such foreigners identified and the modalities to be adopted for deportation and dispersal, where necessary, in a time-bound programme, so the agitation continues even till this day.

13. It is more unfortunate that anti-social elements have become more active day by day and many lives have been lost and properties damaged in violence from time to time. The Central Reserve Police Forces and the Army Jawans have been let loose in the State against peaceful participants in the agitation and other uninvolved people also resulting in serious complaint of killing by firing, injuries to many, rape of women and almost perpetual panic in the minds of the people. It has officially been admitted that 230 lives have been lost and more than 224 persons are in the list of missing people believed dead.

14. For the last one year or more the functioning of the State Government of Assam has been stalled and the State having been under the President's Rule under Article 356 of the Constitution with animation of the legislature suspended and there being no Members in the Lok Sabha from 12 constituencies of Assam as the agitators prevented the candidates to file nomination papers in the general mid-term election held in January, 1980, the people of the State are wholly un-represented in the Government and no administration of justice and even routine work have been going on at the moment as the result of this agitation and mass non co-operation of the Gov-

ernment employees at all levels to administer the State. A situation which has no equal in the annals of Indian history has arisen. It is due solely to the Union Government's Citizenship laws to resolve the question of foreigners in Assam and repressive measures adopted to suppress the lawful demands of the people of Assam for preservation of the integrity and security of the country in the North-Eastern Region.

15. In view of the above, your humble petitioners respectfully pray that

- (i) the Government of India be directed by a resolution of the Lok Sabha to identify the foreigners in Assam under the provisions of Articles 5, 6 and 7 of the Constitution of India and Sections 3, 4, 5 and 6 of the Indian Citizenship Act taking the National Register of Citizens, Assam, 1951 and the Electoral Rolls used in the general elections held in 1952 as additional documents into consideration, and to—
- (ii) delete the names of those people who have been found to be foreigners according to prayer (i) above, from the lists of electors to all statutory bodies of the State, and to—
- (iii) arrange to deport those persons found to be foreigners to wherever they came from, and to—
- (iv) take immediate steps to strengthen the check on the Indo-Bangladesh borders to prevent infiltration of the foreigners and erect a permanent earthen wall all along the borders entrusted to the Indian Army for defence against any intrusion/or infiltration, and to—
- (v) take such steps as would ensure the people of Assam to maintain their separate identity with a language, culture, literature and heritage of their own inside—the Indian Union as a part of the national mainstream of India.

And, for this Act of kindness to the people of India living in Assam, the humble petitioners, as in duty bound, shall ever pray.

Name of the Petitioner	Address	Signature
1. SHRI BIPUL CHOUDHURY	President, Asom Keshori Sangha Noonmati Gauhati City, Distt. Kamrup, Assam	Sd/- Bipul Choudhury 4-12-1980
2. SHRI PRADIP BARUAH	Vice President, Asom Keshori Sangha Noon mati Gauhati City Distt. Kamrup Assam	Sd/- Pradip Baruah 4-12-1980

Name of the Petitioner	Address	Signature
3. SHRI MUKUL BARUAH,	Assistant General Secretary, Asom Keshori Sangha Noonmati Gauhati City, Distt. Kamrup, Assam.	Sd/- Mukul Baruah
4. SHRI DHANANJOY DASS	Joint Secretary, Asom Keshori Sangha. Noonmati Gauhati City Distt Kamrup, Assam.	Sd/- Dhananjoy Dass

Dated New Delhi the 4th December, 1980.

Countersignature of the Member presenting :

Sd/- N. E. HORO.  
M. P. (Lok Sabha)  
Division No. 369



## APPENDIX V

(See para 4.2 of the Report)

[Petition No. 6 regarding ban on export of frogs' flesh]

LOK SABHA

PETITION NO. 6

(Presented to Lok Sabha on 7-8-1980)

To

LOK SABHA  
NEW DELHI.

The humble petition of Shri Dutta Tamhane, ex-M.L.C. and Sarpanchas of various village Panchayats in Thane District (Maharashtra) small and other agriculturists from the same area particularly engaged in paddy cultivation and some elected representatives.

*SHEWETH*

In recent years there is a great destruction of paddy cultivation due to a sort of pest called "KHOD-KIDA" in regional language. These most dangerous insects breed in the very stem of the crop. Practically all chemical pesticides have proved to be ineffective in eradicating this pest menace. The Zila Parishads and other local bodies do undertake a programme of spraying insecticides and recover the amount of expenses from the concerned agriculturists and the remedy proves costlier than the disease. In some areas this operation is made compulsory by law and the agriculturist has to be a victim of the pest as well as these semi-government measures.

Since the year 1972-73 this pest is responsible for destructing nearly one third of the paddy crop every year. After all the methods for stopping this menace are over, now the agriculturists are being advised to take out all the roots of paddy after reaping is over and burn them to ashes. This method is also very expensive and cannot be said to be a foolproof method. At times, old people who stay in a particular locality suggest some remedies which the experts either do not know or reject them as primitive. In this case too, we are afraid, the same thing is happening.

According to the old and experienced agriculturists in this area, the "KHOD-KIDA" is not a new menace. But it never took a dimension as it has taken today only because of the ecological balances created by the nature itself. Frogs living abundantly in paddy fields are the natural enemies of this pest. Frogs devour small worms of this pest and completely destroy them. So rearing of frogs in the fields is, perhaps, the most effective remedy for the eradication of this pest.

But alas, Government's policy of exporting frogs' flesh as a delicacy for dining tables is responsible for total destruction of frogs. People engaged in this trade hire people for catching frogs and in spite of the villagers requests frogs are trapped and despatched to canning factories. All efforts on behalf of village panchayats or influential agriculturists to stop this destruction of frogs become futile as it has become a lucrative employment to a number of poor people.

According to them, the remedy lies in stopping the export of frogs' flesh. This will immediately stop the destruction of frogs and the frogs who thrive on worms, will destroy the "KHOD-KIDA" menace.

Accordingly, your petitioners pray that as no other remedy is open for them to press this suggestion, the Lok Sabha through its Committee on Petitions may investigate into the matter, and if satisfied, recommend to the Government a ban on export of frogs' flesh.

And your petitioners as in duty bound will ever pray.

Name of the petitioner	Address	Signature or Thumb Impression
Shri Dutta Tamhane, Ex. M.L.C.	C/o Oriental Stores, Thane (Maharashtra) and seven others	Sd/-

Countersigned by: R.K. Mhalgi, M.P., Div. No. 547 Dt. 4-8-1980.

## APPENDIX VI

(See para 4.5 of the Report)

[Factual note dated 30 September, 1980 of the Ministry of Commerce on Petition No. 6 regarding ban on export of frogs' flesh]

The export of froglegs from the different parts of India during the last three years as follows:—

Q: Quantity in tonnes  
V: Value in Rs. lakhs.

Exports through the Port of	1980-81 Apr. — June	1979-80	1978-79	1977-78
Cochin	Q 250	1684	1802	1058
	V 47.63	367.85	449.70	259.38
Bombay	Q 14	514	844	562
	V 1.60	97.58	197.82	129.23
Madras	Q 38	660	1291	990
	V 10.16	148.30	305.64	214.9
Calcutta	Q ..	63	131	286
	V ..	19.06	33.67	63.23

In the southern States agriculturists have not pointed out any such problems due to catching of frogs from their paddy fields.

2. There does not appear to be any correlation between the collection of frogs and increase in the incidence of paddy stemborer because of the following reasons:—

- (a) The frog industry has been set in 1957 while the first epidemic of paddy stemborer broke out in 1967.
- (b) The frogs are being collected for export from six districts of Maharashtra State, 3 on the Western coast and 3 districts on the extreme east, while stemborer problem is localised only to a certain areas extending to about 20 lakh acres of paddy in the six paddy growing districts.

- (c) The intensity of damage due to stemborer is very fluctuating as in certain areas it is found that the damage is very severe, while in other the damage is negligible. The incidence of paddy stemborer fluctuates from year to year.
- (d) It is found that the damage due to paddy stemborer is only concentrated in the late local varieties and is predominantly observed in areas where there is double cropping of paddy.

In view of the above facts, there is every reason to believe that the frogs have very little role to play in keeping the paddy stemborer under control.

3. Irrespective of the fact whether frogs play any role in keeping the paddy stemborer pest under control, following measures are already in force for conservation of frog population in India.

- (i) There is a total ban on catching of frogs during the breeding season viz. 15th June to 15th August each year.
- (ii) There is a total ban on export of small froglegs (over 80 numbers per kg.)
- (iii) Only 2 species out of over 100 species available in nature are permitted to be caught viz.

*Rana Tagrina* and *Rana Hexad*

4. It will, thus, be seen that firstly, there is very little role for frogs to play in keeping the paddy stemborer pest under control and secondly, the measures already in force are adequate for conservation of frog population in India.

## APPENDIX VII

(See para 4.7 of the Report)

[Factual note dated 15 May, 1982 of the Ministry of Agriculture (Department of Agriculture and Co-operation—Trade Division)—on Petition No. 6 regarding ban on export of frogs' flesh]

Most of the export takes place from Cochin, Bombay, Madras and Calcutta. The quantity exported in 1979-80 was of the order of 2900 M. T. valued at about Rs. 680 lakhs. The only fleshy part of a frog being exported in the legs. One kg. of froglegs will contain legs of about 12—15 fully grown frogs. At this rate about 435 lakhs of frogs were killed for export of froglegs.

2. The Ministry of Agriculture invited comments on this petition from a number of institutions. The comments are summarized below:—

### *Zoological Survey of India*

Approximately there are 135 species of frogs recorded from different parts of India. However, the export varieties are *Rana Tigrina* and *Rana Hexadectylia*.

3. Whether the increase of paddy stem borers/mosquitoes has any direct bearing on killing of frogs or not is still to be worked out. A research finding in 1975 indicated that due to removal of frogs from the fields there was an increase in the number of land crab in the agricultural areas which caused damage to the wet land crops. Dr. Biswas, Dy. Director, Zoological Survey of India had advised that indiscriminate destruction of frogs has resulted in spurt not only in the number of agricultural but also human and cattle diseases. He was of the opinion that frogs by registered frog farms only should be allowed for export and the export of frogs taken from the wild should be totally banned.

### *Konkan Krishi Vidyapeeth, Ratnagiri*

4. A study was conducted during Kharif season 1978 and 1979 to determine the role of frogs in controlling rice pests. Frogs collected from rice fields were dissected and the stomach contents examined. The stomach contents procured from the frogleg processing centre were also analysed. The analysis revealed the presence of land crabs, army worms, white grub adults, rice skipper, rice earhead

bug, swarming caterpillars, stem borer moths, leaf hoppers, rice grasshoppers and blister beetles. All these are serious rice pests. The effect of frogs on the intensity of pests on 3 Rica-plots, each of 10 gunthas was studied 2 of the plots were independently encircled with nylong netting. In one of the netted plots, frogs were periodically introduced while from the other, they were mechanically removed. The third plot served as a natural check. Results indicated that the plot which was netted and made frog-free was more badly damaged by land crabs, army worms and rice stem borer than the one in which frogs were introduced.

5. The study indicated that the existence of frogs in rice fields is necessary for minimizing pest infestation. The study stated that the conservation of the natural enemy reservoir is of immense importance in the concept of integrated pest management.

#### *Technical Divisions of Ministry of Agriculture*

6. *Fisheries Division*: The Division felt that there was no case for banning the export of frogs which earns Rs. 8-9 crores annually of foreign exchange and provides employment to thousands of tribals. Frog is not eaten in India and its export is without any competing demand from within the country.

7. *Crops Division*: This Division stated that "Frogs have a very little role to play in keeping the population of various pests under control" but it was felt in that Division that more research work on the subject is needed. Nevertheless the Division felt that it was desirable to ban the export of froglegs from India, since the removal of such natural insect parador is bound to give rise to insect population to a certain degree.

8. *Forestry Division*: This Division has reiterated that there should be regulation in the export of frogs from the wild. Export of frogs flesh from the frogs of wild origin should be allowed only on the basis of a legal procurement certificate. The Government should notify the intention of banning the export of frogs from wild origin after a period of 2 years. This Division advised that India should develop frog farming within a period of 2 years, and all the export of frogs should be made from these farms only.

9. *I.C.A.R.*: The view of ICAR have already been communicated to the Lok Sabha Secretariat. However, they are summarized again. The findings of the ICAR are that frogs feed on a number of pests which damage paddy crop. The degree to which frogs play a role in checking the incidence of rice stem borer and brown plant hopper is not yet quantified. Nevertheless, it has to be admitted that frogs do play a role in checking the incidence of brown plant hopper.

froglings should not be exported indiscriminately from the country and only export of frog flesh by registered frog farmers should be promoted. Any export of frog flesh by registered frog farmers should be promoted. Any export of frog-flesh taken from the wild may be totally banned.

*Ministry of Commerce*

10. "There does not appear to be any correlation between the collection of frogs and increase in the incidence of paddy stem borer because of the following reasons:—

- (a) The frog industry has been set in 1957 while the first epidemic of paddy stem borer broke out in 1967.
- (b) The frogs are being collected for export from six districts of Maharashtra State, 3 on the Western coast and 3 districts on the extreme east, while stem borer problem is localised only to a certain area extending to about 20 lakhs acres of paddy in the six paddy growing districts.
- (c) The intensity of damage due to stem borer is very fluctuating as in certain areas it is found that the damage is very severe, while in other the damage is negligible. The incidence of paddy stem borer fluctuates from year to year.
- (d) It is found that the damage due to paddy stem borer is only concentrated in the late local varieties and is predominantly observed in areas where there is double cropping of paddy.

11. In view of the above facts, there is every reason to believe that the frogs have very little role to play in keeping the paddy stem borer under control.

12. Irrespective of the fact whether frogs play any role in keeping the paddy stem borer pest under control, following measures are already in force for conservation of frog population in India:

- (i) There is a total ban on catching of frogs during the breeding season viz. 15th June to 15th August each year.
- (ii) There is a total ban on export of small froglets (over 80 numbers per Kg.).
- (iii) Only 2 species out of over 100 agencies available in nature are permitted to be caught viz. *Rana Tigrina* and *Rana Hexadactyla*.

13. It will, thus, be seen that firstly, there is very little role for frogs to play in keeping the paddy stemborer pest under control and secondly, the measures already in force are adequate for conservation of frog population in India.

14. Director of Agriculture, Kerala, informs that complaints from farmers have been received regarding the incidence of insect-pests from the removal of frogs. The Government of Maharashtra have requested the Central Government to ban the export of frogs from Maharashtra, Director of Agriculture, U.P. inform that no complaints from farmers have been received.

15. In modification of the earlier stand communicated *vide* this Department letter No. 46015/31/78-EP dated 9-8-1979, the Ministry of Agriculture has now recommended that during 1982-83 export of frog legs should be curtailed quantity-wise by 25 per cent of the exports made in 1981-82. These recommendations have been made to the Commerce Ministry which is the nodal Ministry for finalizing the Export Policy.



## APPENDIX VIII

(See para 5.1 of the Report)

[Representation dated 23 April, 1981 from the President, All Indian Silicate Manufacturers' Association, Calcutta regarding import of 10,000 soda ash free of duty for distribution to actual users etc.]

ALL INDIA SILICATE MANUFACTURERS' ASSOCIATION  
Regd. Office: 1-A, S. N. BANERJEE ROAD,  
(2ND FLOOR) CALCUTTA-700 013

Date 23 April, 1981.

To

The Chairman,  
Petitions Committee,  
Lok Sabha,  
New Delhi.

Dear Sir,

While addressing a mass meeting of businessmen at Bombay on the 13 January, 1981, the Prime Minister said that economic growth should go with social justice and called upon the businessmen for constructive response. She further warned that inflationary pressure would again mount if anti-social elements in trade and industry making unreasonable profits were protected.

Assured and encouraged by the above public statement I we have ventured to submit our petition before you.

A section of businessmen has no scruples to violate even the normal business ethics impunity and yet they go scot-free. Strong measures are needed to restore and consolidate public confidence in government policies and pronouncements.

Government wants more and more production of goods and services to create employment opportunities and contain inflation. "Easy availability of basic raw materials at reasonable prices" is a pre-condition to accelerate production. Essential raw materials are

often scarce and not available at reasonable prices. Monopolistic production of many an item without statutory control had largely been responsible for widespread artificial shortages and arbitrary price hikes. Prices of basic raw materials in last 2/3 years have gone up by 100 per cent to 400 per cent. According to market intelligence, over Rs. 25,000 crores of extra monetary gain has accrued to a handful of large industrial houses and their agents setting off a snow-balling effect on prices of all sorts of consumer goods and services kicking up galloping inflation.

Soda Ash can be cited as an example. It is an essential items of mass consumption by million of Dhobies, House-wives and an essential raw material for thousands of different types of end-products.

In early 1978 artificial shortages and black market reappeared. The All India Silicate Manufacturers Association (AISMA), an association booking after the interest of over 500 Sodium Silicate industries in the tiny sector raise its voice of protest and organised a strong consumer resistance. Representations were made to the government. All India Glass Manufacturers Federation and All India Washerman's (Dhobies) Federation etc. joined the movement. Press took the cudgels against the monopolists.

Thus the President of the All India Silicate Manufacturers Association (AISMA) incurred the wrath of powerful vested interests. Two top monopoly producers of Soda Ash through their Solicitors served legal notices to Shri S. S. Singhanian the President of AISMA threatening severe consequences. They stopped supply of raw material to his factory as a reprisal forcing him to close down his unit.

Shri Singhanian refused to genuflect. Powerful vested interests drew up a grant design to—

- (a) strangulate his voice,
- (b) defame him,
- (c) harass him,
- (d) ruin him economically and
- (e) if needed, eliminate him and his only son physically.

The whole gamut of the problem covering production, distribution, pricing, malpractices and victimization of Shri Singhanian was thoroughly discussed in Rajya Sabha on 7th and in the Lok Sabha on 14th August, 1978 when the following assurances were given by the then Minister of Petroleum and Chemicals.

1. A high-powered probe committee would go into the entire problem of Soda Ash and the Report of the Committee would be placed before the Parliament within three months.
2. A Standing Committee would be formed to go into the matters of production, distribution and other related aspects of Soda Ash.
3. Price of Soda Ash would not be allowed to be increased arbitrarily and that the BICP had already been asked to conduct a study of the cost structure of Soda Ash.
4. Import of Soda Ash would be decanalised, put on open general licence with import duty completely removed.
5. Victimisation of the President of All India Silicate Manufacturers' Association would not be allowed.

Assurances given in Parliament have to be fulfilled faithfully and expeditiously. Here is a glaring instance. Parts of the above assurances were implemented in a half hearted and piecemeal manner after procrastination and other parts were not implemented at all.

Following the discussions in the Parliament, the Minister for Petroleum and Chemicals called a meeting on 26th August 1978 in his Chamber. He asked the All India Silicate Manufacturers' Association and the All India Glass Manufacturers' Federation to organise imports on URGENT BASIS 10,000 tonnes of Soda Ash each free of Import Duty.

Curiously the import policy was kept in abeyance for 5 months. Import Duty was reduced to 5 per cent for All India Glass Manufacturers' Federation (large sector) and 35 per cent for All India Silicate Manufacturers' Association (tiny sector) instead of total abolition of duty as committed by the Government.

Never before such differential duties have been levied in Soda Ash. The yard-stick for these differential duties have not been made known. Silicate manufacturers using light Soda Ash need more succour and protection than the Glass Manufacturers who belong to organised sector. In contradiction to our norms of social justice and equity, duty @ 35 per cent was imposed to the tiny sector whereas the organised sector was let off with 5 per cent.

duty. The reason for this discrimination is not too far to seek. This association was responsible for highlighting the nefarious business mechanism of monopoly houses. The vested interest in league with Monopoly Houses left no stone unturned to block the import by this association.

Due to non-implementation of Government assurances made in the Parliament, flaw in the import policy, administrative slackness and loopholes, blockade of imports by AISMA, Soda Ash became a paradise of speculators and hoarders. International prices shoot up by 200 per cent within two to four weeks, the black market prices in India pushed from Rs. 1800/- to Rs. 4000/- per tonne. Taking advantage of this situation, the monopoly manufacturers raised their prices by frequent price hikes from Rs. 1100/- to Rs. 2600/- per tonne on various pleas without corresponding cost increase. Indigenous manufacturers and their agents made unreasonable extra profits of Rs. 90 crores per annum setting of unprecedented price increase of many end-products. More than 300 crores of rupees have been earned by a handful of people at the cost of common men and the national exchequer pushing up inflationary forces. The powerful vested interest marshalled all the means to harass and victimise the organisers of the consumer movement particularly Shri S. S. Singhania.

As a result confidence of people particularly weaker sector reposed in the Parliament had badly shaken. Nonetheless the confidence in the Parliament has to be restored in the sheer interest of Parliamentary democracy. I/we pray most humbly that:—

- (a) anti-social elements in trade and business should be fully exposed and not given protection.
- (b) strong measures should be taken so that however powerful hidden vested interest may be, they are made to realise that they cannot ignore and dishonour public expressions of the Prime Minister of the Country and leaders in the government.
- (c) assurances given in the Parliament are honoured and implemented faithfully and realistically.
- (d) through enquiry be made in the circumstances why All India Silicate Manufacturers Association (an association of tiny sector) could not effect the import.

- (e) All India Silicate Manufacturers Association should be allowed to import 10,000 tonnes of Soda Ash at NIL DUTY as promised by the Government and/or the same quantity of Soda Ash be allotted to the Association for distribution amongst its members free of duty out of the imports being made by the State Chemicals and Pharmaceuticals Corporation.
- (f) through enquiry be made about the victimisation of the organisers of the consumer resistance and action should be taken against the victimisers.

With high hopes that justice will be done even at this late stage, interests of small consumers will be safeguarded and their resistance strengthened, vested interests will be checked and assurances given by the Government and directions of the Prime Minister of the country will be respected and offering our sincere regards to the guardians of Parliamentary democracy.

We remain,

Yours faithfully,

For All India Silicate Manufacturers' Assn.

Sd/—

President

## APPENDIX IX

(See Para 5.1 of the Report)

(Representation dated 27 April, 1981 from the President, All India Glass Manufacturers' Association, New Delhi regarding import of 10,000 tonnes soda ash free of duty for distribution to actual users etc.)

### **The All India Glass Manufacturers' Federation**

Shre Vallable Glass Wroks Ltd. 888, East Park Road,  
Karol Bagh, New Delhi-110005.

Ref. No. AIGMF/81

Dated 27-4-1981.

The Chairman  
Petition Committee  
Lok Sabha, Parliament House  
New Delhi.

Dear Sir,

We refer to the mass meeting held at Bombay on the 13 January, 1981 in which the Prime Minister said that the economic growth should go with social justice and called upon the businessmen for constructive response. She also warned that inflationary pressure would again mount if anti-social elements in trade and industry making unreasonable profits were protected. We feel that strong measures are absolutely necessary to restore and consolidate public confidence in Government Policies and Pronouncements, because a section of businessmen has no scruples to violate even the normal business ethics with impurity and yet they go scot-free.

Government want more and more production of goods and services to create employment opportunity and to contain inflation. Easy availability of basic raw materials at reasonable prices is a pre-condition to accelerate production. Essential raw materials are very often become scarce and are not available at reasonable prices. Monopolistic production of many items without statutory control had been responsible largely for widespread artificial shortages and arbitrary price hikes. The prices of basic raw-materials in the last 2-3 years have gone up by about 100 per cent to 400 per cent. According to market intelligence, over Rs. 25,000 crores of extra monetary gain has accrued to a handful of large industrial houses and their agents setting off a snow-balling effect on prices of all sorts of sonsumer goods and services kicking up the galloping inflation.

The item "Soda Ash" can be cited as an example. It is an essential item of mass consumption by millions of Dhobies, house-wives and is an essential raw material for different types of and products like Glass and Glassware, Detergents, Chemicals etc.

In early 1978 artificial shortages and black market reappeared. Representations were made to Government Press took the cudgels against the monopolists and powerful vested interests tried to harass and victimise the organisers, of the consumer movement. The world problem was discussed in the Rajya Sabha as well as in the Lok Sabha during August, 1978 and the following assurances were given by the Minister for Petroleum and Chemicals:—

- (1) A high-powered probe committee would go into the entire problem of Soda Ash and the report of the committee would be placed before the Parliament within three months.
- (2) A Standing Committee would be formed to go into the matters of production, distribution and other related aspects of Soda Ash.
- (3) Price of Soda Ash would not be allowed to be increased arbitrarily and that BICP had been asked to conduct a study of the cost structure of Soda Ash.
- (4) Import of Soda Ash would be decanalised and put under Open General Licence with import duty removed.

The assurances given in Parliament have to be fulfilled expeditiously. Parts of the above assurances were implemented. Following the discussions in Parliament, the then Minister for Petroleum and Chemicals had called a meeting in his chamber on 26-8-1978 when he had asked us and the All India Silicate Manufacturers' Association to organise imports of 10,000 tonnes of Soda Ash each on urgent basis free of import duty.

The import policy was kept in abeyance for five months and import duty was reduced to 5 per cent in the case of Dense variety of Soda Ash and 35 per cent in the case of light Soda Ash instead of total abolition of duty as assured. These rates of duty has now again been increased to 25 per cent and 45 per cent in the case of Dense Soda Ash and light Soda Ash respectively.

Due to non-implementation of Government assurances made in Parliament, flaw in the import policy and administrative slackness and loopholes Soda Ash became a paradise of speculators and hoarders. International prices had gone up by 200 per cent within

2-4 weeks and the black market prices in India pushed up from Rs. 1800|- to Rs. 4000|- per tone. Taking advantage of this situation the monopoly manufacturers' raised their prices by frequent price hikes from Rs. 1100|- to Rs. 2600|- per tone. Indigenous manufacturers and their agents made unreasonable extra profits of approx. Rs. 90 crores per annum setting of unprecedented price hike of many end products. The confidence of the people particularly the weaker sector in the Parliament has to be restored in the sheer interest of Parliamentary democracy. We therefore, pray most humbly that:—

- (a) anti-social elements in trade and business should be fully exposed and should not be given protection.
- (b) strong measures should be taken so that powerful vested interests realise that they cannot ignore and dishonour public expressions of the Prime Minister and other leaders in the Government.
- (c) Through enquiry be made about the victimisation of organisers of the consumer resistance and action should be taken against the victimisers.

While high hopes that justice will be done then at this last stage, interests of small consumers will be safeguarded and their resistance strengthened, vested interests will be checked and assurances given by the Government and directions of the Prime Minister will be respected, we remain.

Thanking you,

Yours faithfully,

for the All India Glass Mfrs. Federation

Sd/- (C. A. Taktawala)  
President.



## APPENDIX X

(See para 5.3 of the Report)

[Factual note dated 29 September, 1981 of the Ministry of Petroleum, Chemicals and Fertilizers (Department of Chemicals and Fertilizers) on representation regarding import of 10,000 tonnes soda ash free of duty for distribution to actual users etc.]

GOVT. OF INDIA

MINISTRY OF PETROLEUM, CHEMICALS AND FERTILIZERS

(Deptt. of Chemicals & Fertilizers)

New Delhi, the 29th Sept. 1981.

No. 20(14)/80-Ch. III

### OFFICE MEMORANDUM

SUB: Representation regarding allotment of 10,000 tonnes of Soda Ash for distribution at free of duty.

The undersigned is directed to refer to the Lok Sabha Sectt.'s U.O. No. 53/CI/81|R-54 dated the 20th May, 1981 regarding the representation submitted by President and General Secretary of All India Silicate Manufacturers' Association.

2. For a proper appreciation of this Deptt.'s comments on the representation, a note on soda ash including the steps taken by the Government, for improving the availability of soda ash is enclosed (Annexure-I). As a result of the measures taken by the Government, the availability of soda ash has become very comfortable. Soda Ash is easily available at prices more or less on a par with manufacturers' price. The open market price of soda ash which was ruling as high as Rs. 3600/- per tonne in 1978 and was ruling at about Rs. 3000/- per tonne for over a year has now declined to about Rs. 2200/- per tonne which is more or less the same as the manufacturers' prices.

3. In his petition Shri Singhanian has, *inter-alia*, alleged that:

(a) The following assurances given to the Rajya Sabha on 7-8-78 and to the Lok Sabha on 14-8-1978 were not implemented in full:—

1. A high powered probe Committee would go into the entire problem of soda ash. The Report of the Committee will be placed before the Parliament within three months.
2. A Standing Committee would be formed to go into the matters of production, distribution and other related aspects of soda ash.
3. Prices of soda ash would not be allowed to be increased arbitrarily and the BICP had already been asked to conduct a study of the cost structure of soda ash.
4. Import of soda ash would be decanalised, put on Open General Licence with import duty completely removed.
5. Victimisation of the President of All India Silicate Manufacturers' Association would not be allowed.

(b) In pursuance of these assurances, it was decided at a meeting on 26th August, 1978 in the room of the then Minister for Petroleum, Chemicals and Fertilizers, to permit the All India Silicate Manufacturers' Association (AISMA) and the All India Glass Manufacturers' Federation (AIGMF) to import 10,000 tonnes of soda ash each without import duty. However, this decision was kept in abeyance for 5 months and ultimately instead of total abolition of duty, as committed to by the Govt., the import duty was reduced to 5 per cent for soda ash dense and to 35 per cent for soda ash light. This differential duty discriminated against the silicate manufacturers who use soda ash light and are mostly small scale manufacturers. This discrimination is due to the fact that AISMA has highlighted the nefarious business mechanism of monopoly houses.

(c) Shri Singhanian, President of AISMA, was subjected to victimisation by manufacturers of soda ash as he exposed their activities. Supplies of soda ash to his factory were stopped and legal notices were issued by two manufacturers.

4. It is true that the high prices and scarcity of soda ash was the subject of calling attention motions in the Rajya Sabha and the Lok Sabha on 7-8-78 and 14-8-78 respectively. During the course of discussions on the calling attention notice in the Rajya Sabha on 7-8-78, the then Minister for Petroleum, Chemicals & Fertilizers stated that a High Powered Committee would be appointed to go into the problems of soda ash. However, the record of the debate does not indicate that there was any assurance that the report of the Committee would be placed on the floor of the House. In accordance with the statement of the Minister (PC&F), a High Powered Committee under the Chairmanship of Prof. Gopal Tripathi, formerly Dean of Chemical Technology, Banaras Hindu University, was constituted on 2-9-78. The Committee presented its report in the first week of August, 1979. The recommendations of this Committee were considered in consultation with other Departments concerned. The measures recommended by the Committee and the action/views taken by the Govt. on these recommendations were stated in the Lok Sabha in reply to the Unstarred Question No. 1050 replied to on 24th February, 1981 (copy enclosed—Annexure II). They were also listed in a statement placed on the table of the Rajya Sabha in fulfilment of an assurance given in the Rajya Sabha in respect of Starred Question No. 179 dated 4th August, 1980 (copy enclosed—Annexure III).

5. A Standing Committee was constituted on 7-8-78 to sort out the problems of production, distribution and consumption of soda ash. This fact was also mentioned in the statement made by the Minister (PC&F) on 14-8-78 in the Lok Sabha.

6. During the course of the debate on 7-8-78 in Rajya Sabha the Minister (PC&F) did state that the BICP could be requested to go into the question of price of soda ash. Accordingly, the BICP was requested to study the pricing of soda ash. The BICP submitted its report in August, 1979. Based on the reports of BICP and High Powered Committee (referred to in para 4) it was decided not to resort to statutory control over price and distribution but to depend on the twin mechanism of adequate imports on the one hand and of informal monitoring and regulation on the other. The guidelines referred to at para 3, page 2 of Annexure were issued.

7. In both Houses of Parliament, the then Minister (PC&F) stated that the State Chemicals and Pharmaceuticals Corporation (CPC) had been requested to make immediate arrangements for the import of 20,000 tonnes of soda ash and that customs duty had been waived in respect of these imports with a view to keeping the price of imported material roughly on a par with the indigenous manufacturers' price. There were suggestions from some of the Members

who participated in the debate that the Association may be permitted to import soda ash instead of CPC. In reply to this suggestion the Minister stated in the Rajya Sabha "So far as the import of soda ash by associations is concerned, no such request is pending with us because it was in the presence of the associations that it was decided that the CPC should be made to move the matter. But if the association thinks that something else can be done I would not mind looking into the question and consulting my other colleagues to find out as to what could be done in the matter." Thus, it would be seen that there was no assurance that import duty on soda ash would be completely removed and that associations will be permitted to import soda ash without any duty.

8. It is no doubt true that in a meeting held on 26-8-78 in the Chamber of the then Minister (PS&F) it was agreed that the two associations should be permitted to import 10,000 tonnes of soda ash each without customs duty for distribution to their members or actual users. It was decided that the Department of Revenue should be requested to consider exemption of duty. The Deptt. of Revenue, however, opined that the legal position was that the duty concession should be made available to all without any discrimination unless the discrimination was in favour of public sector undertakings and the item was a canalised one. Hence, it was not possible to grant duty exemption on imports of soda ash by the two associations alone unless such exemption was granted to all industrial users. It was decided at meeting held in the Chambers of the then Finance Minister on 25-10-78, which was attended by the then Minister for PC&F that the duty waiver would be limited to imports of 20,000 tonnes of soda ash by CPC. In order to improve the availability of soda ash, soda ash was placed on Open General Licence (OGL) with effect from 14-1-1979. The import duty on soda ash was also reduced to 35 per cent in case of light and 5 per cent in case of dense with effect from 4-1-1979. The differential duty took into account the differential prices of soda ash dense and soda ash light in the international market. The objective of duty reduction is to equalise the landed value of soda ash and the indigenous price. It is not true to say that differential import duty is based on ulterior motives.

9. The AIGMF had arranged imports on behalf of its members to a tune of 10,000 tonnes in 1979 and 15,000 tonnes in 1980-81. On the other hand the AISMA was not able to arrange such imports. It would be evident from the document "The case of Soda Ash—Saga for struggle" enclosed to the representation that the AISMA could not arrange imports because of the following points:

- (i) When the association was about to open a letter of credit on *ex-parte* order of injunction was served on the AISMA restraining it from action in any manner.

- (ii) By the time the court partially vacated the injunction allowing the association to take necessary steps for the import of soda ash, the State Agency of Bulgaria, with whom they entered into contract for the supply soda ash, increased the price by over 100 per cent and declined to honour the contract.
- (iii) The association invited offer from global sources but the rates quoted were far too high.

It would thus be seen that the failure of the AISMA to import soda ash was due to civil litigation as well as its inability to secure favourable terms in the international market. Nothing prevented the AISMA from securing even subsequently, competitive bids and arrange imports. Legally, it is not permissible to order waiver of duty only in favour of the association. Hence the question of AISMA now being permitted to import 10,000 tonnes without duty does not arise. It is open for it to arrange imports at the prevailing duties, as the AIGMF is doing.

10. It is fact that when the shortage situation developed in early 1978, the consumers of soda ash, particularly AISMA brought the position to the notice of the Government. M/s. Tata Chemicals and M/s. Saurashtra Chemicals stopped supplies of soda ash around this time to M/s. Metro Chemicals Industries of which Shri Singhania is the Managing Director. In the intervention of the Govt., supply of soda ash was resumed by the manufacturers, a fact which is admitted in "The Case of Soda Ash—Saga of Struggle". Subsequently on 7-11-78 the unit declared a lock-out because of industrial unrest. According to Shri Singhania himself the lock-out was lifted in October, 1979. At the time of lock-out there was sufficient stock of soda ash. Even during the period of lock-out in 1979, 20.83 tonnes of soda ash was supplied by M/s. Tata Chemicals and 42.87 tonnes by M/s. Saurashtra Chemicals. After the lock-out was lifted the manufacturers resumed supplies in 1980. There would appear to be no evidence linking manufacturers of soda ash to the industrial unrest in M/s. Metro Chemicals Industries or to the civil litigation involving Shri Singhania as President of AISMA to the formation of parallel association of silicate manufacturers. A copy of the reply given to Lok Sabha Unstarred Question No. 2839 on 10-3-1981 is enclosed (Annexure IV). The factual position in respect of the enquiry by Asstt. Director of the Office of Director General Industrial Contingencies (DGIC), which was referred to in "The case of Soda Ash—Saga of Struggle" was stated in reply to the Lok Sabha Unstarred Question No. 4767 answered on 24th March, 1981 a copy of which is enclosed (Annexure V).

11. Thus to summarise, all the specific allegations pertaining to the years 1978 and 1979 are devoid of substance. Because of the measures taken by the Govt., the supply position has improved and the situation today is qualitatively different from that in 1978 and 1979.

12. This issues with the approval of Minister (PC&F).

13. Hindi version is also enclosed. Enclosures sent under Lok Sabha Sectt.'s U.O. No. 53|CI|81|R-54 dated 20-5-1981 are also returned herewith.

Sd/-

(A. K. BORAL),

Under Secretary to the Government of India.

Shri R. D. Sharma,  
Senior Legislative Committee Officer,  
Committee Branch-I,  
Lok Sabha Secretariat,  
Parliament House Annexe.  
NEW DELHI.

## ANNEXURE I

### NOTE ON INSTALLED CAPACITY, PRODUCTION, AVAILABILITY AND STEPS TAKEN BY GOVT.

#### 1. Uses:

Soda Ash is an important heavy inorganic chemical used as a raw material in the manufacture of glass, glasswares, sodium silicate, paper and pulp, textiles and large number of other chemicals. It is used as a washing material by Dhobies and house-holds.

#### 2. Installed capacity and production:

At present there are four soda ash plants operating in the country. The details of their installed capacity and production are as under:-

Sl. No.	Name of the Firm	Present installed capacity (tonnes)	Year-wise production (tonnes)		
			1979	1980	1981 (upto July)
1.	M/s. Tata Chemicals, Mithapur, Gujarat	360000	297710	316513	228010
2.	M/s. Saurashtra Chemicals, Porbandar, Gujarat	230000	181153	152889	111964
3.	M/s. Dhrangadhra Chemicals Works Ltd., Dhrangadhra, Gujarat	65000	61717	67907	39345
4.	M/s. Orissa Cements Ltd., (Hari Fertilizers) Varanasi, U.P.	39600	12995	11398	5029
		694600	553575	538707	384348

In addition to the above capacity, Government have also approved total capacity of 10.4 lakh tonnes by way of substantial expansion of the existing units and capacity for new undertakings. Of this, a capacity of 6.12 lakh tonnes is licenced in favour of State Undertakings|Corporations of Tamil Nadu, Punjab Government and Andhra Pradesh. This has been done with a view to dispersing the capacity.

The production figures indicated in the table show that the overall capacity utilisation percentage in the soda ash industry during the calendar year 1979 and 1980 were 87.5 and 81.4 respectively. The capacity utilisation in the first seven months of 1981 is about 95%. In comparison with the capacity utilisation in other industries and keeping in view the constraints

faced by the manufacturers it cannot be said that there was deliberate under-utilisation.

Even individually, it cannot be said that any manufacturer is deliberately under-utilising capacity. The capacity utilisation of M/s. Tata Chemical increased from 83 % in 1979 to 88 per cent in 1980 and to 109 per cent in the first seven months of 1981. The capacity utilisation of M/s. Dhran-gadhra Chemicals increased from 95 per cent in 1979 to 104.5 % in 1980. In the case of M/s. Saurashtra Chemicals Ltd., the capacity utilisation during 1979 was 108%. During 1980 an extra capacity of 62,000 TPA was installed. The utilisation during 1980 was 73 % of the total capacity. It would have been higher but for a lock-out in the Company for a period of 40 days from 14.10.1980 to 24.11.1980. The capacity utilisation in the first seven months of 1981 is about 83 %. However, the capacity utilisation of M/s. Orissa Cements Ltd., (formerly M/s. New Central Jute Mills Ltd.) has been constantly low as the plant and machinery are old and required renovation/modernisation. M/s. Orissa Cements Ltd., have reported that their workmen have gone on strike from 16.4.81 and the strike is still continuing.

### 3. Distribution:

Soda Ash was in short supply during the year 1978, 1979 and early 1980. As a result of the measures taken by the Govt., the availability of soda ash has improved considerably. It is easily available in the market at prices no different from the manufacturers' prices. The open market price of soda ash which was as high as Rs. 3000/- to Rs. 3600/- per tonne in 1978 and was ruling at Rs. 3000/- per tonne over a year has now come down to Rs. 2200/- per tonne which is the same as the manufacturers' price. There is no statutory control over the price and distribution of soda ash and the Govt. have been replying on the two mechanism of informal monitoring of production and distribution of soda ash and of adequate imports to meet the gap between indigenous production and demand.

Guidelines were issued in January, 1979 to ensure that actual industrial consumer get directly from the manufacturers at least the quantity received by them during the calendar year 1977 when there was no shortage. The lists of allotments to industrial consumers and traders by the manufacturers of soda ash are, obtained by this Department and passed on the State-Govt., for verification and necessary action for proper utilisation. As a result, nearly 86 per cent of the total production goes directly to industrial consumers. It is only the balance 14 per cent which goes through trade channel. The import of soda ash has been permitted to all industrial consumers under Open General Licence (OGL) with effect from 14th January, 1979. In order to keep the landed price of soda ash on par with the indigenous manufacturers' selling price, import of soda ash is subject to concessional duty—25 per cent in case of soda ash dense and



45 per cent in case of soda ash light, as against the normal duty of 75 per cent. In order to help small scale industrial units, 19,100 tonnes of soda ash light were imported by the State Chemicals and Pharmaceuticals Corporation of India (CPC) during the year 1979-80 and distributed mainly to small scale units and State Units both directly and through State Government Organisations. This year also CPC has imported about 10,000 tonnes of the material and about 9,000 tonnes are still available with them for distribution.

To protect the interest of the small users like house-wives and dhobies, arrangements have been made for the supply of about 1,000 tonnes of soda ash per month to the National Consumers' Cooperative Federation (NCCF) for distribution throughout the country. This can be increased if the NCCF is able to lift larger quantities.

As already stated, the availability of soda ash is comfortable—so much so that the manufacturers have reported that the National Consumers' Cooperative Federation (NCCF) and several industrial consumers are not lifting the soda ash being offered by the manufacturers.

LOK SABHA

UNSTARRED QUESTION No. 1050

TO BE ANSWERED ON THE 24TH FEBRUARY, 1981

*Recommendations of High Powered Committee in respect of Soda Ash*

1050, SHRI GEORGE FERNANDES: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the High Powered Committee constituted following an assurance in Parliament in August, 1978 to look into the problem of soda ash in the country has submitted its report;
- (b) if so, what are the main recommendations of the Committee; and
- (c) what action has been taken thereon?

ANSWER

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. C. SETHI): (a) Yes, Sir.

(b) The Committee has recommended the following short-term and long-term measures:—

SHORT-TERM MEASURES:

- (i) To arrange for adequate imports, preferably through the State Chemicals and Pharmaceuticals Corporation of India (CPC), in the next two years to augment supply;
- (ii) Levy of some sort of cess, if necessary, on indigenous production of soda ash to subsidize the high costs of imports rather than direct pooling of prices;
- (iii) Some measures of distribution control if adequate imports could not be arranged; and
- (iv) Monitoring of coal and coke movement to ensure maximum production.

LONG-TERM MEASURES:

- (i) Encourage additional investment in the industry by an indirect retention price scheme. This would compensate the new units to the extent of higher depreciation and interest-charges to

be borne by any new units due to galloping capital cost of the project.

- (ii) Modernisation of New Central Jute Mills, Varanasi;
- (iii) Conversion of Viramgam|Mithapur Rly. line to broad gauge to remove handicap in expansion of capacities;
- (iv) Encouragement for production of soda ash through Modified Solvay Process which will result in the co-production of Ammonium Chloride, which is a fertilizer; and
- (v) Development of salt works to encourage the dispersal of soda ash capacity.

(c) The Government have already taken the following action in respect of the recommendations of the Committee:

#### SHORT-TERM MEASURES:

- (i) Import of Soda Ash has been placed under Open General Licence (OGL) for actual user thereby making it possible for any actual user to import the material direct in case he wishes to do so. About 20,000 tonnes of soda ash was imported in the year 1979-80 by State Chemicals & Pharmaceuticals Corporation of India (CPC) and distributed through the State Govt. agencies to various consumers particularly to small scale sector. In the year 1980-81 the CPC has also finalised arrangements for import of 20,000 MT. The CPC has entered into a longterm contract with Bulgarians for import of Soda ash.
- (ii) The recommendation regarding levy of some sort of cess, has been considered by the Government and the view has been taken that there is no need to impose any cess on the indigenous production to subsidize imports because of the concessional duty prevalent now on imports.
- (iii) Guidelines have been issued to all the manufacturers of Soda Ash which ensure that all industrial consumers who were taking their material direct from the manufacturers, continue to get at least the quality they got in 1977, a year of normal supply. As a result, about 86 per cent of soda ash produced by the manufacturers is going direct to industrial consumers at manufacturers' price.
- (iv) Monitoring of movement of coke|coal is being constantly done.

#### LONG-TERM MEASURES:

- (i) Govt. have already approved creation of additional capacity to the extent of 10.40 lakhs tonnes. It is expected that by 1984-85

a total capacity of 10 lakhs tonnes is likely to materialise which would suffice to meet the anticipated 1984-85 demand. The Govt. have taken the view that the need for and the quantum of assistance that should be granted for new units can be determined when they come on stream and requisite data are available.

- (ii) The New Central Jute Mills have taken over by M|s. Orissa Cement Ltd. (Hari Fertilizers) who are considering modernisation of the plant.
- (iii) The conversion of the railway line from Viramgan to Mithapur has already been completed upto Hapa.
- (iv) The choice of technology is dependent upon various factors such as location, availability of raw materials etc. At locations in close proximity to lime-stone and salt, the Standard Solvay Process would be more appropriate. Hence, the Govt. have taken the view that the choice of technology should be considered on the merits of individual cases. However, among the new capacities approved M|s. Tuticorin Alkalies and Chemicals Ltd., and M|s. Punjab State IDC are setting up their plants for the manufacture of soda ash on the basis of the modified solvay process.
- (v) The Government and State Governments are taking steps to develop new Salt works, particularly along the East-Coast.

## ANNEXURE III

115th SESSION, 1980 OF THE RAJYA SABHA  
 MINISTRY OF PETROLEUM, CHEMICALS AND FERTILISERS

Question No. and Date	Subject	Promise made	When and how fulfilled	Time taken in fulfilment	Extension taken if any	Reasons for delay
Started Q. No. 179 dated 4-8-80 by Shri Kalraj Mishra, Shri Laddi Mohan Nigam and Dr. Bhai Mahavir.	<i>High Power Committee on Soda Ash:</i> Asking for:		As statement is enclosed.	Seven months	Upto 31-3-1981	The recommendations of the Committee were under examination for a final view.

(a) the main recommendations of the High Powered Committee on Soda Ash;

(b) whether the committee examined the justifiability of the present high prices of the material and cause of the prevalent black market in soda ash; and

(c) what action Government have taken on the findings of Committee.

(c) It was *inter alia* stated. The other short-term measures and the long-term measures recommended by the Committee are under examination in consultation with the other Departments concerned.

STATEMENT IN FULFILMENT OF THE ASSURANCE GIVEN IN  
REPLY TO STARRED QUESTION NO. 179 ANSWERED ON 4.8.1980  
IN 115TH SESSION 1980 OF THE RAJYA SABHA

The Committee recommended the following short-term and long-term measures:

(i) To arrange for adequate imports, preferably through the State Chemicals and Pharmaceuticals Corporation of India (CPC), in the next two years to augment supplies;

(ii) Levy of some sort of cess, if necessary, on indigenous production of soda ash to subsidize the high cost of import rather than direct pooling of prices;

(iii) Some measures of distribution control if adequate imports could not be arranged; and

(iv) Monitoring of coal and coke movement to ensure maximum production.

LONG-TERM MEASURES:

(i) Encourage additional investment in the industry by an indirect retention price scheme. This would compensate the new units to the extent of higher depreciation and interest-charges to be borne by any new units due to galloping capital cost of the project;

(ii) Modernisation of New Central Jute Mills, Varanasi;

(iii) Conversion of Viramgan|Mithapur Rly. line to broad gauge to remove handicap in expansion of capacities;

(iv) Encouragement for production of soda ash through Modified Solvay Process which will result in the co-production for Ammonium Chloride, which is a fertilizer; and

(v) Development of salt works to encourage the dispersal of Soda Ash capacity.

The Government have taken the following actions in respect of the recommendations of the Committee:

SHORT-TERM MEASURES:

(i) Import of Soda Ash has been placed under Open General Licence (OGL) for actual users thereby making it possible for any actual user to import the material direct in case he wishes to do so. About 20,000 tonnes of soda ash was imported in the year 1979-80 by the State Chemicals and Pharmaceuticals Corporation of India (CPC) and distributed through the State Government Agencies to various consumers particularly to small

scale sector. In the year 1980-81, the CPC has also finalised arrangements for import of 20,000 MT of Soda Ash. The CPC has entered into a long-term contract with Bulgarians for import of soda ash.

(ii) The recommendation regarding levy of some sort of cess, has been considered by the Government and the view has been taken that there is no need to impose any cess on the indigenous production to subsidize imports because of the concessional duty prevalent now on imports.

(iii) Guidelines have been issued to all the manufacturers of soda ash which ensure that all industrial consumers who were taking their material direct from the manufacturers, continue to get at least the quantity they got in 1977, a year of normal supply. As a result, about 86 per cent of soda ash produced by the manufacturers is going direct to industrial consumers at manufacturers' price.

(iv) Monitoring of movement of coke/coal is being constantly done.

#### **LONG-TERM MEASURES:**

(i) Government have already approved creation of additional capacity to the extent of 10.40 lakh tonnes. It is expected that by 1984-85 a total capacity of 10 lakhs tonnes is likely to materialise which would suffice to meet the anticipated 1984-85 demand. The Government have taken the view that the need for and the quantum of assistance that should be granted or new units can be determined when they come on stream and requisite data are available.

(ii) The New Central Jute Mills have been taken over by M/s Orissa Cements Ltd. (Hari Fertilizers) who are considering modernisation of the plant.

(iii) The conversion of the railway line from Viramgam to Mithapur has already been completed upto Hapa.

(iv) The choice of technology is dependent upon various factors such as location, availability of raw materials etc. At locations in close proximity to lime-stone and salt, the Standard Solvay Process would be more appropriate. Hence, the Government have taken the view that the choice of technology should be considered on the merits of individual cases. However, among the new capacities approved M/s Tuticorin Alkalies and Chemicals Ltd., and M/s Punjab State Industrial Development Corporation are setting up their plants for the manufacture of soda ash on the basis of the modified solvey process.

(v) The Government and State Governments are taking steps to develop new salt works, particularly along the East Coast.

*ANNEXURE IV*

LOK SABHA

UNSTARRED QUESTION NO. 2839.

TO BE ANSWERED ON THE 10TH MARCH, 1981

VICTIMISATION OF PRESIDENT OF ALL INDIA SILICATE  
MANUFACTURERS' ASSOCIATION

2839. SHRI GEORGE FERNANDES: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have inquired into complaints of victimisation of Mr. S. S. Singhania, President of the All India Silicate Manufacturers' Association by the manufacturers of Soda Ash;

(b) if so, what is the nature of the findings;

(c) whether Government have information that such victimisation is continuing; and

(d) if so, what action is being taken to end it?

*ANSWER*

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. C. SETHI): (a) Government have looked into complaints made from time to time by Shri Singhania regarding supply of soda ash to, and industrial unrest in M/s Metro Chemicals Ltd., a unit manufacturing Sodium Silicate, of which Shri Singhania is the Managing Director and formation of a parallel Association of Silicate Manufacturers.

(b) There would appear to be no evidence to link the manufacturers of soda ash with the industrial unrest in M/s Metro Chemicals Ltd., or with the formation of a parallel association of Silicate manufacturers, as alleged by him. As regards supply of soda ash, Government on the representation of Shri Singhania about stoppage of supplies, arranged in 1978 for the restoration of supplies of Soda Ash to M/s Metro Chemicals. This unit was under a lock out from November, 78. Some soda ash was supplied to the



unit even during the period of lock out. After the lock out was lifted the manufacturers resumed supplies and instructions were issued by this Deptt. to the manufacturers that they should be available to M/s Metro Chemicals Ltd., with effect from December, 1979. the quantities of Soda Ash to which the unit is entitled under the guidelines issued by this Department.

(c) No specific instances in this regard have been brought to the notice of the Government.

(d) Does not arise.

*ANNEXURE V*

**LOK SABHA**

**UNSTARRED QUESTION NO. 4767 TO BE ANSWERED ON THE  
24TH MARCH, 1981**

**4767. SHRI GEORGE FERNANDES: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:**

(a) whether the Assistant Director, Industrial Contingencies in the Ministry of Industry investigated into certain complaints made in regard to the lock out and related matters in Metro Chemical Industries of Calcutta in 1978; and

(b) If so, what are the findings of the investigations?

*ANSWER*

**THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P. C. SETHI): (a) Yes, Sir.**

(b) In January, 1979, a petition was presented to the Minister for Industry by the Metro Chemical Workers' Union alleging that M/s. Metro Chemicals Industry was illegally and wilfully locked out on 7-7-1978, that even after the closure of the factory soda ash and coal were being lifted by the unit regularly, that the materials so lifted were being misused and that no proper steps were taken to re-open the factory. The enquiry report was to the effect (i) that the lock out was not wholly unjustified (ii) that on the date of the lock-out there was sufficient stock of soda ash and coal, (iii) that even after the lock-out the unit was being supplied soda ash and coal, (iv) that though one could not be sure about the veracity of the statement that a part of the stock of soda ash was washed away during floods, there was no evidence to suggest that soda ash was sold by the unit in the black-market and (v) that the management was attempting to re-open the unit but without success.