

# COMMITTEE ON PETITIONS

(FIFTH LOK SABHA)

SIXTH REPORT

(Presented on the 10th August, 1972)



LOK SABHA SECRETARIAT  
NEW DELHI

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**COMPOSITION OF THE COMMITTEE ON PETITIONS  
(1972-73)**

**CHAIRMAN**

**Shri Anant Prasad Sharma**

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3. Shrimati Mukul Banerji
4. Shri Raghunandan Lal Bhatia
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**Shri B. K. Mukherjee—*Deputy Secretary***

**Shri J. R. Kapur—*Under Secretary***

**SIXTH REPORT OF THE COMMITTEE ON PETITIONS**  
**(FIFTH LOK SABHA)**

**INTRODUCTION**

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

- (i) Action taken by Government on the recommendations contained in the Ninth Report of the Committee on Petitions, Fourth Lok Sabha, relating to (i) Petition No. 19 by Shri C. K. Chandrappan, General Secretary, All India Youth Federation and others regarding unemployment and other grievances of youth; and (ii) Petition No. 20 by Shri Surendra Vikram and others regarding demands of students and youth.
- (ii) Action taken by Government on the recommendations of the Committee on Petitions (Fourth Lok Sabha) contained in their Eighth Report on the representation from Shri A. N. Venkatasubramanian, Convenor, Indian Federation of the Blind, Taruvai, Tirunelveli, *re.* welfare of the blind in India.
- (iii) Action taken by Government on the recommendations of the Committee on Petitions (Fourth Lok Sabha) contained in paras 8.3 and 16.3 of their Seventh Report, relating to the Prevention of Food Adulteration Act, 1954 and Rules made thereunder.
- (iv) Representations inadmissible as Petitions.

2. The Committee considered the above matters and adopted the draft Report at their sitting held on the 14th June, 1972.

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

**ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS IN THE NINTH REPORT OF THE COMMITTEE ON PETITIONS, FOURTH LOK SABHA, RELATING TO (I) PETITION NO. 19 BY SHRI C. K. CHANDRAPPAN, GENERAL SECRETARY, ALL INDIA YOUTH FEDERATION AND OTHERS REGARDING UNEMPLOYMENT AND OTHER GRIEVANCES OF YOUTH; AND (II) PETITION NO. 20 BY SHRI SURENDRA VIKRAM AND OTHERS REGARDING DEMANDS OF STUDENTS AND YOUTH**

1.1. The Committee on Petitions (Fourth Lok Sabha) had made certain recommendations in paras 3.9 to 3.22 of their Ninth Report, presented to the House on the 25th November, 1970, on the above-mentioned two petitions. The Ministry of Finance and other concerned Ministries were requested to furnish a consolidated statement of action taken by Government on those recommendations. The relevant recommendations of the Committee and the action taken replies thereon, furnished by the Government, are reproduced below *seriatim*.

**(i) Recommendations in para 3.9 of the Report**

The Committee find that a high priority has been given by Government to introduction of land reforms in the country. The Zamindari system has been abolished and legal ceilings on land holdings have been imposed in almost all the States and Union Territories. Measures have also been taken to acquire land declared as in excess of ceiling limits and to distribute it to the tenants and landless agriculturists, although loopholes have been noticed in some cases which require to be plugged. Some progress has also been made in the field of consolidation of land holdings.

The Committee, however, feel that greater efforts have to be made in this field in order to achieve more equitable distribution of land, to increase agricultural production and to establish a just social and economic order in the country. The Committee urge that adequate and speedier measures should be taken by Government in the matter of prescribing and enforcing effectively appropriate ceilings on land holdings and distribution of land to the landless agriculturists.

## **Reply of the Government**

The Government is fully aware of the urgency of adequate and speedier measures in the matter of prescribing and enforcing effectively ceilings on land holdings and distribution of land to the landless agriculturists and for expediting further measures of land reforms.

The Chief Ministers' Conference on land reforms held on September 26, 1970, at New Delhi, had taken stock of the situation and considered at length issues relating to progress of ceilings on land holdings, distribution of surplus lands to the landless agriculturists etc. With a view to helping the State Governments in expediting the implementation of land reforms, a Central Land Reforms Committee had been set up under the Chairmanship of the Minister for Food and Agriculture and with the cooperation of the Chief Ministers of some States. This Committee has been reviewing the existing provisions relating to ceiling on land holdings in various States and problems relating to the enforcement of ceiling...laws and distribution of land to the landless agriculturists.

[Ministry of Agriculture (Department of Agriculture)]

### **(ii) Recommendations in para 3.10 of the Report**

The Committee note that a bulk of the import trade has already been nationalised and that the imports of foodgrains, fertilisers and machinery for Government Projects are all on Government account. The State Trading Corporation has also been making efforts to increase its exports. The State Trading Corporation fixed a target of Rs. 60 crores, exports for 1969-70.

The Committee, however, feel that the State Trading Corporation should endeavour to increase its exports not only in respect of the existing items of exports, but also to find new markets and new items of export. The State Trading Corporation should, in fact, concentrate on, and give greater attention to establish new export markets and add to the list of existing items of export. The State Trading Corporation should also strive to achieve a higher target of export.

## **Reply of the Government**

The State Trading Corporation has already taken steps for promoting, expanding and diversifying India's Foreign Trade. It has been endeavouring to increase the volume of exports, explore new markets and new items for exports. As a result of these measures, there has been a

steady increase in its exports and diversification thereof and an expansion in its volume of trade.

A statement showing the new items of exports introduced and new markets explored during 1970-71 is given in *Annexure I*.

[Ministry of Foreign Trade]

**(iii) Recommendations in para 3.11 of the Report**

The Committee note that in the matter of procurement and distribution of foodgrains, the Food Corporation of India, State Governments and co-operative agencies are now playing a notable role. The Food Corporation of India has already become practically the sole purchase and sale agent of the Central Government.

The Committee feel that in order to ensure unhindered supply of foodgrains to public at fair prices and to build up a sizeable buffer stock thereof, the field of operation of the Food Corporation of India and other Governmental agencies should be adequately extended and higher targets fixed for procurement of foodgrains. The Committee consider it imperative that speedy measures should be taken by Government to exercise an effective control on the trade in foodgrains, edible oils etc. in the country as early as possible.

**Reply of the Government**

The Food Corporation of India is the sole agency of the Central Government for State trading in foodgrains. The Corporation has been steadily expanding its activities in terms of both of area and volume of purchases and playing a vital role in purchase, storage and distribution of foodgrains in the country. During the last few years, the targets for procurement of foodgrains have been successively increased. Control on trade is being maintained by various regulatory measures adopted by the State Governments with the approval of the Central Government.

The food situation in the country during the last 3 years has continued to be satisfactory. The improvement in food situation is due primarily to three successive years of good foodgrains production. The imports of foodgrains have been reduced from about 10.4 million tonnes in 1966 to about 3.6 million tonnes in 1970. Internal procurement of foodgrains has been considerably stepped up since

1967-68 crop year. During the current crop season November, 1970 to October, 1971 in the case of rice and other Kharif cereals and April, 1971 to March, 1972 in the case of wheat and other rabi cereals), the procurement upto now has exceeded 8 million tonnes. Public distribution of foodgrains also showed a decline from 13.2 million tonnes in 1967 to 8.9 million tonnes in 1970. The stocks of foodgrains with the Government have shown sizeable increase.

In view of the improvement in food situation over the last few years, it has been possible to relax some of the restrictions on movement and distribution of foodgrains in the country. The movement of gram and barley has been made free throughout the country since 1968 (28th March). Movement restrictions in respect of coarse grains have been removed in most of the major producing areas, and movement of wheat and wheat products has been made free throughout the country from 1-5-1971 except in the statutorily rationed areas of West Bengal. Statutory rationing has been in force in Bombay for rice and jowar and in Calcutta, Asansol, Durgapur complex in respect of rice, wheat, atta, flour and suji. The Government is, however, continuing distribution of foodgrains through the fair price shops spread throughout the country.

The Government have been procuring foodgrains at incentive prices and have been supplying the same at reasonable prices to the consumers. This policy has been successful in maintaining price stability during the years 1969 and 1970 barring the usual seasonal fluctuations.

The crop prospects for the current year are good. It was estimated that the likely foodgrains production may be of the order of 105-106 million tonnes. Special measures are continuing for increasing the acreage under the high yielding varieties and accelerating multiple cropping programmes both for rabi foodgrains and summer paddy. The Government is committed to stop all concessional imports by the end of this year. While imports have been falling, the imports during this Calendar year are expected to be of the order of 2.5 to 3 million tonnes to meet the imbalances between the domestic production and the requirement of building up foodgrains buffer stock. In order to fulfil the commitments to eliminate all concessional imports by the end of this year and to build up a buffer stock of 5 million tonnes, the Government has made



a determined effort to intensify procurement during the current year. The procurement prices of paddy and rice have been suitably adjusted in certain States to provide further incentive for increase in production and procurement. The procurement prices of wheat have been kept at last year's level. The State Governments have been requested that with the assistance of Food Corporation of India, they should intensify their efforts to achieve, and if possible, to exceed the procurement targets.

In this connection, mention may also be made about the system of licensing of foodgrains dealers which exists in all the States and Union territories. The system of licensing was originally devised to regulate private trade in foodgrains. Under the provisions of the licensing orders, the dealers have to submit certain periodical returns in respect of their transactions. The returns help the Government to ascertain the stock position in a market at any given time. Under these orders, the dealers are also required to take adequate measures for the proper storage of foodgrains so as to prevent wastage caused by careless storage. In the context of an improved food situation, many States have left out coarse grains and millets from the purview of licensing control. They have also made the provisions of their licensing orders less onerous in the matter of submission of periodicals returns etc.

A number of regulatory measures are being adopted by Government to control trade in oilseeds and oils. These include (i) restrictions on grant of credit against stocks of oilseeds and oils; (ii) regulation|banning of forward trading in oilseeds and oils; (iii) arranging imports of edible oils (mainly soyabean oil, sunflower oil, rapeseed and copra) through STC; (iv) issue of imported oils direct to vanaspati industry; and (v) control of vanaspati prices. Bank advances against stocks of groundnut as well as other oilseeds, vegetable oils and vanaspati are regulated through fixation of minimum margin requirements, the ceiling limits over the credit advances and through regulation of minimum|maximum rates of interest. Forward trading in most of the oilseeds and oils has been banned|restricted during recent years. At present, forward trading is permitted under certain regulations in respect of linseed, cottonseeds, castorseed and coconut oil only.

To augment the internal supply, imports of soyabean oil, sunflower oil, rapeseed and copra are being made during the

recent years. These imports are being canalised through State Trading Corporation and thus the Government has full control over their distribution. Similarly, imports of copra are also made through State Trading Corporation for distribution to copra crushing units. The middle-men are thus not allowed to exploit the consumers in this field.

Prices of vanaspati are being statutorily controlled under the Vegetable Oil Products Control Order, 1947. The control on prices of vanaspati has been in force since 1968. Prior to this, an informal control was being exercised. The agency of the Food Corporation of India is also being utilised for procuring supplies of edible oils as and when need arises.

[Ministry of Agriculture (Department of Food)]

**(iv) Recommendations in para 3.12 of the Report**

The Committee note that the income-tax arrears outstanding as on the 30th June, 1969 amounted to Rs. 554 crores. During the year 1969 (upto 31st August, 1969) the Government were able to collect Rs. 65.05 crores only out of the arrears of income-tax.

The Committee are of the view that there is need for making greater concerted efforts by Government to reduce the huge amount of income-tax arrears and to prevent accumulation of arrears in future. The Committee feel that the machinery for collection of income-tax should be streamlined to produce quicker results. Efforts are also needed to prevent tax evasion.

**Reply of the Government**

The Government has taken various administrative, legal and executive measures for early realisation of tax arrears. The details of these measures are given in *Annexure II*.

Considerable attention is paid by Government to the realisation of tax arrears. A record of all cases in which substantial arrears are outstanding is being maintained and it is the responsibility of the officers concerned at different levels, to ensure that appropriate action is taken to recover the arrears. The problem of growing income-tax arrears was also discussed in the Commissioners' Conference held in May, 1970 and the need for arresting the growth of tax arrears was impressed upon them. It was decided that a special drive operation "RAT" (Reduction of arrears of tax) should be launched in all Commissioners' charges to reduce the outstanding tax demands. These

efforts showed good results in 1970-71 as would be evident from the following:—

Year	Collections out of the arrear demand
	(Amount in Rs. crores)
1964-65	59·94
1965-66	63·88
1966-67	62·76
1967-68	100·52
1968-69	110·52
1969-70	129·75
1970-71	159·61 (provisional)

To quicken the pace of disposal of assessments further, the Taxation Laws (Amendment) Act, 1970 has with effect from 1st April, 1971 radically altered the procedure of assessments. It will now be open to the Income Tax Officer, after the receipt of the return of income to make a regular assessment in a summary manner in most of the cases by rectifying certain arithmetical inaccuracies and making certain statutory adjustments in the total income returned without requiring the presence of the assessee of the production by him of any evidence in support of the return.

Some further steps are under way which might gradually improve the position of the outstanding arrear demands. The Finance Bill, 1971, contemplates further legislative measures to improve the system of recovery in so far as it is proposed to appoint 5 Commissioners of Income Tax as Tax Recovery Commissioners. They will have Zonal Jurisdiction and apart from supervising the tax recovery work they will hear the appeals from the orders passed by the Departmental Tax Recovery Officers which have hitherto been going to the District authorities.

The question of providing special incentives to Tax Recovery Officers who show outstanding performance in recovery of tax arrears, is also being actively considered.

The Government have appointed a high powered Committee of experts (Wanchoo Committee) to examine, apart from other matters, the problems of arrears of taxes and black money and to recommend concrete and effective measures for reducing tax arrears and combating tax evasion. Their report is awaited.

For combating income-tax evasion, the Government has already taken a large number of legislative and administrative measures (*Annexure II*). Some of the measures which are proposed to be undertaken during the current year were mentioned in the Budget Speech of the Finance Minister and have been briefly mentioned in the annexure.

[Ministry of Finance (Central Board of Direct Taxes)]

**(v) Recommendations in para 3.13 of the Report**

The Committee find that in order to check profiteering and blackmarketing in drugs and medicines Government have recently promulgated the Drugs (Prices Control) Order, 1970. The Committee are of the opinion that constant vigil and strict control and regulation over the production, distribution and sale of drugs and medicines is necessary by Government in order to make available life saving drugs like antibiotics etc. to the community at reasonable prices. The Committee also recommend that effective deterrent punishment should be awarded to those who violate the provisions of this order.

**Reply of the Government**

The tempo of steady production has been sought to be maintained by making arrangements for uninterrupted supply of bulk drugs to the drugs manufacturing units. Imports of drugs have been canalised through the State Trading Corporation.

The Drugs (Prices Control) Order, 1970 is being enforced through the agency of the field staff appointed by the Central Health Directorate and the field staff employed by the State Governments. Suitable instructions have already been issued to the State Governments for strict enforcement of the order. The punishment for any contravention of the provisions of the Drugs Order is provided in the Essential Commodities Act, 1955. Regular production and supplies of Drugs were to be maintained and hardship to consumers mitigated by ensuring that (a) artificial scarcity of drugs particularly of some monopoly items by either curtailment or stoppage of production is prevented, (b) interruption in supplies by resorting to strikes by distributors is avoided and (c) marketing of sub-standard and spurious drugs with a view to swelling up the profit margin is also done away with.

The Central Government has taken action to ensure regular supply of bulk supply to formulators at "pooled" prices. The Drugs Controllers of the States are to ensure that production is maintained to meet the demand, that there is no hoarding or hold-up at any distribution point and that the consumers are not over-charged, that adequate machinery exists for bringing the offenders to book. Under the Drugs (Prices Control) Order, the State Governments are competent to exercise the powers and duties specified therein.

[Ministry of Petroleum and Chemicals]

**(vi) Recommendations in para 3.14 of the Report**

The Committee find that a proposal for incorporating in a statute, on an All-India basis, the Model Agreement on Rationalisation evolved by the Indian Labour Conference in 1957, regarding job security to workers, is under consideration by the Government.

The Committee desired that the proposal may be processed early by Government and a suitable legislation on the subject may be introduced in Parliament.

The Committee have also noted that a Bill is already before Parliament providing for the Industrial Tribunals, and Labour Courts, to whom a dispute has been referred for adjudication, to function as a court of appeal on the findings of the domestic enquiry by the employers, on the basis of material on record.

**Reply of the Government**

In pursuance of the Gokhale Commission's recommendation, the Government is considering the question of effecting needed amendments to the Industrial Disputes Act, 1947. Certain proposals were circulated, as usual, to all parties concerned. Comments of some of the State Governments, Central Employing Ministries and Central Workers Organisation were still awaited. A memorandum, on the proposed amendments after taking into consideration the comments received thereon, was to be placed before the National Tripartite (Indian Labour Conference Standing Labour Committee) as is the established practice, for their consideration first. Further steps to initiate legislation in the matter were to be taken after the proposed amendments were cleared by the Standing Labour Committee, Indian Labour Conference.

Since the bill pending before the Fourth Lok Sabha to provide for Industrial Tribunals and Labour Courts to function as a court of appeal on the findings of the domestic enquiry by employers had lapsed, consequent on the dissolution of the Fourth Lok Sabha a new amending Bill i.e. Industrial Disputes Amendment Bill, 1971 has since been introduced in August, 1971 in the Fifth Lok Sabha.

[Ministry of Labour, Employment & Rehabilitation]

**(vii) Recommendations in para 3.15 of the Report**

The Committee hope that with the nationalisation of the major Banking Institutions of the country and with most of other credit institutions now being under the effective control of the Central Government, the economic development of the country will be accelerated and the weaker sections of the community will be provided with much needed financial assistance on easy terms for improving their conditions.

**Reply of the Government**

After the nationalisation of major scheduled commercial banks in 1969, the lending policies and procedures of commercial banks have undergone the process of liberalisation in favour of small borrowers, especially small scale industry. There have been progressive relaxations in terms of security margin, rate of interest, procedures etc. in order to augment the flow of credit to these sectors. In assessing loan proposals, banks now lay greater emphasis on the purpose of the loan, economic viability and feasibility of the project and the character and integrity of the borrowers rather than the nature and extent of security. The banks have now adopted a need-based approach in assessing the loan proposals. The terms and conditions of advances by nationalised banks under various schemes of assistance to agriculture and the hitherto neglected sectors are given in *Annexure III*. With the liberalisation in terms and conditions, the advances to these sectors have increased considerably, since nationalisation. A statement showing the progressive increase of advance to these sectors since nationalisation is given in *Annexure IV*.

To enable the banks to extend credit facilities more liberally, the Credit Guarantee Corporation India Ltd., was set up to administer a comprehensive credit guarantee scheme for loans to small borrowers in the priority and hitherto

neglected sectors. The scheme came into force from April 1, 1971. It covers, upto specified limits, credit facilities extended by eligible credit institutions to transport operators, traders, professional and self-employed persons, owners of business enterprises and farmers engaged in cultivation and allied agricultural operations. The Credit Guarantee Scheme for small scale industries has already been in operation since 1960 under the administrative control of the Reserve Bank of India.

The Chief Executives of the banks have also been asked to pay special attention to the credit requirements of small borrowers including small scale industry. It is hoped that these measures would assist the small borrowers or weaker sections of the community to avail credit facilities from the banks on easy terms.

[Ministry of Finance (Department of Banking)]

#### **(viii) Recommendations in para 3.16 of the Report**

The Committee have also noted that the Government now own a bulk of the steel producing capacity and, with the completion of Bokaro Steel Plant, it would occupy an overwhelming commanding position in regard to the total supply of steel in the country. Government also have the largest industrial complexes for the manufacture of heavy engineering goods and electrical equipment at Ranchi, Bhopal, Hyderabad and Hardwar. There is now an increasing participation by the Government in this field and the key industries are under the effective control of the Government.

The Committee hope that all the nationalised industries and public sector undertakings will be efficiently and profitably run by Government so as to subserve the best interests of the country.

#### **Reply of the Government**

The recommendation of the Committee has been noted and a copy thereof is being endorsed to the Bokaro Steel Limited for their guidance.

The Committee have expressed the hope that Government would run all nationalised industries and public sector

undertakings efficiently and profitably so as to subserve the best interest of the country. This does not seem to require any specific action. This is, however, an aspect of the working of the public sector undertakings which is always kept in view by Government and continuous efforts are made to ensure that such enterprises are run efficiently and profitably.

[Ministry of Steel and Mines (Department of Steel)]

**(ix) Recommendations in para 3.17 of the Report**

The Committee feel that the process of development of net work of rural industries and public works through co-operatives and small entrepreneurs in rural areas should be improved and speeded up to reduce the pressure of population on land and also to add to the income of the rural folk. In this connection, Government should take positive measures such as provision of liberal credit, adequate supply of scarce raw material, provision of technical assistance, tax concessions, marketing facilities etc. to enable the small scale and cottage industries to grow into viable units and also to produce quality goods to stand competition with larger industries.

**Reply of the Government**

- (a) The Small Scale Industries Development Organisation through its net work of Small Industries Service Institutes has been trying to promote small industries in rural areas in collaboration with State Governments. The main programmes through which rural industrialisation is sought to be achieved include a (a) Rural Industries Projects (b) Growth Centres (c) Rural Industrial Estates (d) Small Artisan Programmes & (e) Programme of Backward Areas Development.

The Rural Industries Projects programme initiated in 1962-63 under a centrally sponsored scheme seeks to develop small scale industries intensively in selected areas. The main planks of development constitute provision of credit facilities, training programme, common facility services, departmental production and sales Units etc. As many as 49 Rural Industries projects were set up throughout the country in order to bring about a co-operative agro-industrial economy. The programme has received impetus and a



new strategy since the transference of the work relating to the RIPC to the office of the Development Commissioner, Small Scale Industries from 1-4-1970. It has been decided to establish 50 more Rural Industries Projects during the Fifth Plan, among the backward districts identified by the Planning Commission. The question of earmarking a certain portion of scarce raw materials to units in Rural Industries Projects Areas also has been under active consideration. The question of provision of easy marketing facilities for units in project areas is sought to be evolved.

There is a special liberalised scheme of financial assistance to industrial units in Rural Industries Projects by the State Bank of India. Under this scheme, credit to the extent of Rs. 5,000 is provided to units or artisans, without insisting on banker's margin. The scheme has gathered momentum.

Under the programme of Rural Industrial Estates, the industrialisation of economically backward and rural areas, by developing their infra-structure is sought to be attempted. Suitable planned factory accommodation in convenient locations with other basic facilities as water, electricity, transport, banks, post office, canteen, first aid etc. are provided to small scale units. With a view to accelerating the rural industrialisation programme and the development of agro-industries in the Fourth Plan period, it has been considered that the location of industrial estates in future would mainly be in growth centres selected after techno-economic surveys.

Some of the State Governments have already identified growth centres which constitute focal growth points, for intensified rural development. About 300 such centres have already been identified for drawing up and execution of development programme. The Small Industries Service Institutes will also be surveying a few growth centres and will draw up development programmes thereunder to serve as models for an all-India programme of identifying and developing such centres. They will also closely associate themselves with the implementation of these programmes by the State Governments. For assisting small farmers, marginal farmers and agricultural labourers, in the field of agriculture, a central sector scheme has been launched. There will be about 95 projects in all. A sum

of Rs. 5 lakhs in each project would be earmarked for suitable programmes for small artisans and upgrading their skills. Suitable guidelines for undertaking the programme have already been sent to the State Directors of Industries & Small Industries Service Institutes by the Ministry of Industrial Development.

The Planning Commission, in consultation with State Governments has identified about 200 districts which would be eligible for concessional finance from financial institutions like Industrial Development Bank of India, Industrial Finance Corporation etc. The Planning Commission has also identified one or two backward districts in each State which would be eligible for outright grant or subsidy by the Centre amounting to one-tenth of the fixed capital investment of new units having fixed investment of not more than Rs. 50 lakhs.

[Ministry of Industrial Development]

- (b) The distribution policy of steel materials has been streamlined to make it consumer oriented and due weightage is being given, particularly to indents routed through the Small Scale Industries Corporations, for meeting the requirements of small scale units. The system of distribution through the main producers' stockyards has also been rationalised and sizeable quantities of prime quality of steel, re-rollable scrap and defectives have been earmarked to meet the needs of small scale industries, and is offered first of all to them through the Directors of Industries. Further bulk import of sheets and plates worth Rs. 10 crores through Hindustan Steel Limited is also being made to meet the needs of small scale industries.

[Ministry of Steel & Mines (Department of Steel)]

**(x) Recommendations in para 3.18 of the Report**

The Committee have noted that all State Governments have enacted Compulsory Education Acts and there has been a large increase in the number of school-going children. The Committee, however, feel that there is a great laxity in the enforcement of the compulsory education provisions of the law, more particularly in the rural and backward areas. A faster tempo of expansion of elementary

education with emphasis on provision of facilities and special assistance for girls and for backward communities and backward areas is needed to fulfil the Directive Principles of the Constitution. Care also needs to be taken to ensure improvement in the quality of education being imparted and maintenance of high standards. The Committee hope that Government would take urgent measures in this direction.

### **Reply of the Government**

It is desirable that for a developing country like India, the spirit of the law for compulsory education is observed and not its mechanical enforcement as such. It is being realised that in order to make rapid progress towards the expansion of primary education in the light of Article 45 of the Constitution suitable action is to be taken in regard to the following:

- (a) to create awareness in the parents regarding the utility of primary education for the children, so that they take active interest in sending their children to primary schools.
- (b) to provide adequate facilities for school buildings, equipment, qualified teachers etc. specially in rural and backward areas.
- (c) to improve the quality of education at the primary stage by relating it to the needs of the child and the environment in which he lives.

As regards the first, it may be stated that several studies have shown that poverty and participation of children in the occupations of parents mainly on economic grounds are primarily responsible for premature withdrawal of children from primary schools. For this purpose, flexible school schedules and adjustment of vacations with local occupational needs may be highly useful in tackling the problem of dropouts in primary schools. Some State Governments have already started taking action in this regard.

Regarding adequate facilities for school buildings, qualified teachers etc. for promoting the expansion of primary education, the Central and State Governments are taking

necessary steps for taking suitable action, based on the recommendations of the National Seminars on Primary Education conducted by the Union Ministry of Education in collaboration with the NCERT. Nevertheless, there is need to expedite the matter by taking immediate action on the issues, in order to promote rapid expansion of primary education, especially in rural and backward areas.

As regards the improvement of the quality of education, the most important programmes are the curriculum standard and teacher training. The present day curriculum is unrelated to the child's like experiences and the world in which he lives. There is need for developing the curriculum standard which may be used as a frame of reference by the different State Departments of Education for developing their own curriculum according to their own needs and local conditions. The NCERT is already engaged in this task. It is hoped that the work on curriculum standard will be completed within a year and this will be found useful by the State for developing their own curriculum. The State Governments and NCERT are making arduous efforts to make work experience as an integral part of primary education.

The State Departments of Education are revising their curriculum and are taking suitable steps for the production of text books for primary stage at the State level. The NCERT has already produced some useful text books in different subjects taught at the primary stage. These are being used in some of the States either in an adapted form or in an adopted form. Now the NCERT is engaged in the preparation of suitable textual material for the primary stage. The NCERT is also screening the text books which are being used in the different States|Union Territories of the country in order to help and assist the State Governments to improve the existing text-books.

As regards teacher training, the NCERT is conducting in-service programmes for the primary school teachers. Some of the States are holding refresher courses for primary school teachers, to acquaint them with the latest developments in the techniques and pedagogy of primary education. Attempts are being made to include both the content and the pedagogy in the training programmes.

Possibilities are also being explored to pick up the talented teachers and develop their professional competence. The minimum qualifications for admission to primary teacher training institutions are also being increased by and by. There seems to be a shift from one year training course to two-years course in the country at the primary stage. Attempts are also being made to improve the service conditions of the teachers. Possibilities are also being explored to develop programme lessons which may either be used through transistors or Satellite T.V., if possible. A scheme of open school is being worked out in this connection.

Suitable action programmes at various levels have been chalked out, with the involvement of teachers, for reducing educational wastage. For this purpose, the NCERT has produced suitable handbooks rendered in some regional languages and pilot projects are being conducted in some States to reduce educational wastage.

As regards improvement in girls' education, the Government is already seized of the issue. The Ministry of Education in collaboration with the NCERT holds seminars at State level each year. Discussions are held during the seminars regarding the progress made in the past and the projections for future. These discussions/action plans based thereon take into account the issues related to the training of women teachers, enrolment drive for girl students, introduction of home service for girls, relaxations of qualifications for women teachers etc. The women council for girls' education, an active voluntary organisation, is trying to improve girls education with the help of the Centre and the States|Union Territories.

So far as meeting the Constitutional provision regarding universal and compulsory education in tribal areas is concerned, concerted efforts are made by the Department of Social Welfare, Government of India, the Tribal Education Unit of the NCERT, State Governments and the various tribal Research Welfare Institutions and a large number of non-official and voluntary agencies in promoting education in tribal areas. It is felt that provisions of adequate facilities for schooling of the children in terms of scholarships, boarding grants, uniform, books, stationery

and other items necessary for schooling will go a long way in attracting children to schools. There are at present many factors acting as constraints like,

- (a) economic conditions of the tribal parents not permitting to spare their children for schooling;
- (b) geographical and physical factors. Lack of communication and sparse population scattered over a large area do not conduce to the growth of education among them. The schools are now so far from the tribal hamlets that small children of age groups 6 to 11 are not able to walk this distance every day.

[Ministry of Education and Social Welfare]

**(xi) Recommendations in para 3.19 of the Report**

- (a) The Committee are alarmed at the increasing unemployment in the country. They would urge the Government to take immediate and effective steps to relieve unemployment in the country. Nothing frustrates a young person more than his inability to find work and earn a livelihood. The Committee recommend that education should be so oriented that it enables a person to find gainful employment and earn a living. The educational programmes should include a large variety of vocational courses for children who do not intend to continue studies beyond the middle or secondary stage.

**Reply of the Government**

- (a) The Ministry is thinking of establishing, in consultation with other departments and the industries, work centres where non-student youth can learn some trades. It is also proposed to establish reception centres in large cities, where facilities for vocational guidance and counselling and transit accommodation at cheap rates may be provided for the large number of educated and not-so-educated people who migrate to the cities in search of employment.

[Ministry of Education & Social Welfare]

**Recommendations in para 3.19 of the Report**

- (b) The Committee desire that the Government may also consider the feasibility of providing some sort of unemployment relief to unemployed persons.

### Reply of the Government

- (b) The suggestion is considered not feasible since (a) the financial implications of such a measure cannot be known and (b) the magnitude of unemployment itself cannot be measured with any precision. Even if reliable estimates of unemployment are available, it may not be possible to embark on a programme of providing unemployment relief to unemployed persons in view of the slender financial resources at the country's command and the more pressing needs of the society. In fact, the conditions in India (where large numbers are joining the labour force every year) are different from those in developed countries, where only frictional unemployment exists and the aim is to provide unemployment insurance for the entire working population. Thus, in view of the large and uncertain financial implications involved, it is felt that the suggestion cannot be considered as practical at this stage. It would, in fact be more advisable to spend the slender resources of the country on implementation of schemes that generate employment. However, a scheme of selective unemployment insurance for members of the Employees Provident Fund and the Coal Mines Provident Fund had been under consideration for some time, the idea being to cover persons who are employed but are rendered unemployed for short periods. The National Commission on Labour have recommended, *inter alia* enhancement of the rate of Provident Fund Contribution from 8 to 10 per cent of pay and suggested that the additional contribution may be used, with marginal adjustment, to finance new benefits like pension and unemployment insurance. The Commission have further recommended that an integrated social security scheme may be evolved over the next few years, which should, *inter alia*, provide for unemployment insurance. A working group set up by Government on the Integration of Social Security Schemes has recommended a low priority for the Unemployment Insurance Scheme and has suggested that in the pattern of Comprehensive Social Security Scheme, the unemployment insurance should come last as the social objective and purpose of such measure to compensate for loss of wages suffered as a result of involuntary unemployment, is, to some extent, taken care of already under the Industrial Disputes Act, 1947. It has been decided to go ahead with

the integration of the Employees State Insurance and Provident Fund Scheme.

[Ministry of Labour and Employment]

**(xii) Recommendations in para 3.20 of the Report**

The Committee are of the view that annual examinations or test upto the primary stage of education should be conducted only with a view to locating the mentally retarded or otherwise deficient children and should not act as a deterrent to them. However, after the primary stage, the system of examinations may continue with suitable modifications and improvements.

**Reply of the Government**

It is being realised that at the primary stage, more emphasis should be laid on the day-to-day assessment of the children, rather than on holding the annual examination at the end of the year to decide the promotion. For this purpose, cumulative record cards and internal assessment are being used in the different primary schools. Nevertheless, these procedures etc. need improvement. Recently, the NCERT had developed a cumulative record card which is being tried out in the different States. Necessary steps are also being taken in the NCERT to help the primary school teachers through the Primary Extension Services Centres and the State Institutes of Education to use suitable evaluation techniques. The NCERT as well as some States are trying out the ungraded school system, at the primary stage. According to this, the child is allowed to proceed according to his own pace. The curriculum is divided into graded units and the child proceeds from one unit to another according to his capacity. Whenever a child is found deficient or weak in completing a unit, he is given remedial programme to make up his deficiency. The validity of this approach is yet to be decided.

[Ministry of Education & Social Welfare]

**(xiii) Recommendations in para 3.21 of the Report**

The Committee have given earnest consideration to the demand of the petitioners for lowering the voting age from 21 years to 18 years. Although there are strong arguments against the proposal, such as, immaturity of youth



at that age and financial implications involved in handling vastly increased electorate thereby, the Committee feel that there are no valid reasons for denying the right of vote to persons above the age of eighteen years, particularly when, for all other purposes of law, they are treated as majors and deemed competent to handle their affairs. The Committee, therefore, recommend that Article 326 of the Constitution should be amended and voting age reduced from 21 years to 18 years.

### **Reply of the Government**

The Fourth Lok Sabha had been dissolved on the 27th December, 1970, and arrangements were under way for holding general elections for the constitution of a new Lok Sabha. It had, therefore, not been possible to initiate any proposals for consideration for amendment of the Constitution at the stage. The matter is under examination in depth by the Ministry of Law and Justice.

[Ministry of Law and Justice]

### **(xiv) Recommendations in para 3.22 of the Report**

The Committee are of the opinion that students should have an increasing and meaningful participation in the activities of the Universities, such as management of hostels, student homes, non-resident student centres, canteens, libraries, reading rooms, sports and games, cultural programmes etc. The genuine needs and difficulties of the students should be sympathetically considered. A consultative machinery may be devised so that the authorities in the Universities may discuss periodically with the student's representatives the problems relating to their welfare, discipline etc.

### **Reply of the Government**

In many Universities/institutions students are associated with such matters as welfare activities, management of libraries and hostels, maintenance of discipline, promotion of sports etc. Some of the Universities have also set up joint student-teacher committees as recommended by the Education Commission (1964—66).

The question of student participation in the various University bodies was also considered by the Conference of Vice-Chancellors held in April, 1969. The Conference had recommended that as the question of students' participation in the statutory bodies of Universities/Colleges was related to the larger question of University/College governance it should be referred to the working group to be set up by the University Grants Commission to consider the governance of universities and colleges and allied matters.

The University Grants Commission set up a Committee under the Chairmanship of Dr. P. B. Gajendragadkar to consider issues relating to governance of Universities and Colleges. The Committee has been considering, *inter alia*, the issue of students' participation in the University/College affairs. The Government will take further action in this regard in the light of the recommendations of the Committee. It is since learnt from the Ministry that the first part of the Report relating to Universities has been received. The Report has been circulated to all the Universities for eliciting their views on the recommendations of the Committee and the implementation thereof. The Report relating to Colleges is awaited.

[Ministry of Education & Social Welfare]

### **Recommendations/Observations of the Committee**

1.2. The Committee cannot too strongly emphasise the need for reviewing the existing legislations in the States on a priority basis so that effective steps could be taken for distribution of surplus land to the landless and the weaker sections of the population.

1.3. The Committee note that as a result of the steps taken by the State Trading Corporation, there has been a steady diversification and increase in the export trade of the country. The Committee also note the new items of export introduced and new markets explored during 1970-71. The Committee would like to emphasise that there is considerable scope for augmenting the export of engineering goods to countries in West Asia, Africa and also to South-East Asia. Apart from exploring the new markets, the State Trading Corporation should maintain and stabilise their links with the traditional markets so that there is no let up in exports. The Committee note that the Ministry of Foreign Trade have furnished a statement showing the new markets explored during the year 1970-71. The Committee would also like to be furnished with a statement showing the mar-

kets which the Corporation has lost during 1971 on account of competition from other countries. They would also like to be supplied with statistics about the growth of the export trade handled by State Trading Corporation during the last three years.

1.4. The Committee note that the Food Corporation of India has been steadily expanding its activities and playing a notable role in the purchase, storage and distribution of foodgrains in the country. The Committee also note that the prices of vanaspati are being statutorily controlled and that the agency of the Food Corporation of India is also being utilised for procuring supplies of edible oils, as and when necessary. The Committee hope that Government will ensure constant effective control on the trade in foodgrains, edible oils etc., so that these are easily available to the common man at reasonable prices.

1.5. The Committee have noted the various administrative, legal and executive measures taken/proposed to be taken by Government for early realisation of income tax arrears and for combating tax evasion. The Committee hope that the recommendations of the Wanchoo Committee which has since submitted its report to the Government will be expeditiously processed and implemented by Government so that the tax arrears are promptly recovered and tax evasion is checked effectively.

1.6. The Committee note that the Central Government have taken action to ensure regular supply of bulk drugs to formulations at 'pooled prices'. The Drug Controllers of the States are required to ensure that the the production of drugs is maintained to meet the demands of the community, that there is no hoarding or hold-up at any distribution point and that the consumers are not over charged. The Committee also note that the Drugs (Prices Control) Order, 1970, is being enforced through the agency of the field staff appointed by the Central Health Directorate and that appointed by the State Governments. The Committee hope that the powers and duties specified in the said Order will be effectively exercised by the concerned authorities.

1.7. The Committee have noted the steps being taken by Government to provide for greater job security to workers and hope that the proposed new measures in this respect would be expeditiously finalised. The Committee wish to emphasise that in order to ensure healthy industrial relations, it is necessary to make suitable provisions against unfair labour practices on the part of the employers and the recognised trade unions, as observed by the National Commission on Labour.

1.8. The Committee appreciate that after the nationalisation of major scheduled commercial banks since 1969, the lending policies and procedures of commercial banks are stated to have undergone liberalisation in favour of the small borrowers, especially the small scale industry. They note that, besides various other measures taken to provide the much needed financial assistance on easy terms to weaker sections of the society, the Chief Executives of the banks have also been asked to pay special attention to the credit requirements of small borrowers, including small scale industry. The Committee, however, feel that greater efforts will have to be made to achieve these objectives more satisfactorily.

1.9. The Committee note that the Small Scale Industries Development Organisation, and the programmes of Rural Industries Projects and the Rural Industrial Estates are aimed at promoting small industries in rural areas. Some of the State Governments have already identified about 300 growth Centres which would constitute focal growth points for intensified rural development. The Committee also note that there is a special liberalised scheme of financial assistance to industrial units in Rural Industries Projects by the State Bank of India. There are also other schemes to provide concessional finance from financial institutions. The Planning Commission have, in consultation with the State Governments, identified about 200 districts which would be eligible for concessional finance from financial institutions like Industrial Development Bank of India, Industrial Finance Corporation etc. The Committee hope that the various steps taken by the Government would help to reduce the pressure of population on land and also to add to the income of the rural folk in due course.

1.10. The Committee note the steps being taken by Government and voluntary organisations to promote education of girls and of backward communities and in backward areas. In view of the fact that poverty and participation of children in the occupations of parents mainly on economic grounds are primarily responsible for premature withdrawal of children from primary schools, the Committee cannot too strongly emphasise the need for adopting flexible school schedules and other suitable measures to tackle the problem of dropouts in primary schools. The Committee feel that more vigorous and continued steps would have to be taken in this direction to fulfil the Directive Principles of the Constitution. The Committee also urge that for the benefit of children of backward communities, more Ashram type schools should be set up. They should also be given additional incentives in the form of stipends etc. Adequate

hostel facilities should also be provided to the students of these communities.

1.11. The Committee note that facilities are proposed to be provided for vocational guidance and counselling to the educated and not-so-educated people who migrate to cities from the villages in search of employment and that work centres are proposed to be established for giving training in some trades to the non-student youth. The Committee, however, wish to re-iterate their earlier recommendation that the educational programmes should include a large variety of vocational courses for children who do not intend to continue studies beyond the middle and secondary stage.

1.12. The Committee note the view of the Government that in view of the slender financial resources and the absence of precise data regarding the magnitude of unemployment in the country, it is not feasible at this stage to provide any unemployment relief to the unemployed persons as recommended by the Committee. The Committee, however, feel that a beginning should be made by Government at least in respect of certain selected categories of unemployed persons. The Committee hope that Government would keep the matter under constant review. In this connection, the Committee note that Government propose to intensify the special measures taken for creation of additional employment in rural areas and for the urban unemployed. With the receipt of interim report of the Committee of Experts on Unemployment by the Government, the Committee hope that suitable short term plans would be drawn up immediately for creating additional employment opportunities. Long term plans may also be reviewed in due course. Special attention should be paid to the needs of the backward communities.

1.13. The Committee note that, in so far as education at the primary stage is concerned, the Government realise that more emphasis should be laid on the day-to-day assessment of the children as recommended by the Committee, rather than on holding examinations at the end of the year to decide the promotion and that necessary steps are being taken in this direction.

1.14. The Committee note that the question of lowering the voting age from 21 years to 18 years is under examination in depth by the Ministry of Law and Justice. The Committee hope that an early decision will be taken in the matter and the youth between 18 and 21 years of age will also be given the right to vote at an early date.

**1.15. The Committee note that a Committee of the University Grants Commission is seized of the question of students' participation in University/College affairs and that that Committee has submitted the first part of its report. The Committee hope that early steps will be taken by Government to implement the recommendations of the Committee on Petitions after taking into consideration the suggestions of the Committee of the University Grants Commission.**

## II

### ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS (FOURTH LOK SABHA) CONTAINED IN THEIR EIGHTH REPORT ON THE REPRESENTATION FROM SHRI A. N. VENKATASUBRAMANIAN, CONVENOR, INDIAN FEDERATION OF THE BLIND, TARUVAI, TIRUNELVELI, RE. WELFARE OF THE BLIND IN INDIA

2.1. In their Eighth Report presented to Lok Sabha on the 1st September, 1970, the Committee on Petitions (Fourth Lok Sabha), after considering the representation of Shri A. N. Venkatasubramanian regarding welfare of the blind in India and in the light of the comments of the Department of Social Welfare thereon, had recommended as follows:—

“(i) The Committee note that there is already a National Advisory Council for the education of the handicapped which is a permanent body and advises the Government on all problems concerning the education, training and rehabilitation of the blind, the deaf and other handicapped persons. There is also a national Centre for the Blind at Dehra Dun.

The Committee recommend that more Centres for the Blind on the pattern of the one at Dehra Dun should be established in the country and more funds should be allocated for the education, training and rehabilitation of blind. If necessary, suitable legislation may be introduced in Parliament to give these matters a statutory basis with a view to achieve the desired end.

“(ii) The Committee hope that, as stated by the Department of Social Welfare, necessary measures will be speedily taken by Government to reserve a percentage of vacancies for the disabled, including the blind, in the public services as well as in the private sector.”

[Pages 18-19, Eighth Report, Fourth Lok Sabha]

2.2. The Department of Social Welfare, with whom the above recommendations of the Committee on Petitions were pursued, have stated as follows:—

“As regards the recommendation at (i) above, it was examined in this Department, in consultation with the Planning Commission and the Ministry of Law. This recommendation in effect means setting up regional Centres of the type developed at Dehradun in other parts of the country as well. No final decision has yet been reached since it is difficult to raise Plan ceilings at this stage.

As regards the recommendation made at (ii) above, this Department is examining the possibility of enacting a legislation to reserve a percentage of vacancies for the disabled, including the blind, in the public services as well as in the private sector.

The Draft Bill is expected to be considered by the Standing Labour Committee, likely to meet early next year\*. Further action will be possible only after the Committee has considered the Bill.”

2.3. The Committee note the position stated by the Department of Social Welfare regarding the implementation of the above recommendations of the Committee. The Committee hope that the Bill to reserve a percentage of vacancies for the disabled, including the blind, in the public services as well as in the private sector, will be brought before Parliament soon. The Committee also hope that more Centres for the Blind on the pattern of the one at Dehra Dun would be established by providing more funds for the purpose.

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\* i.e. 1972.



### III

#### ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS (FOURTH LOK SABHA) CONTAINED IN PARAS 8.3 AND 16.3 OF THEIR SEVENTH REPORT, RELATING TO THE PREVENTION OF FOOD ADULTERATION ACT, 1954 AND RULES MADE THEREUNDER

3.1. In their Seventh Report, presented to Lok Sabha on the 30th April, 1970, the Committee on Petitions (Fourth Lok Sabha) had made the following recommendations on the above-mentioned subject:—

##### *Para 8.3*

“The Committee, while taking note of the comments furnished by the Department of Health, would like to be informed in due course about the findings and recommendations of the Sub-committee set up by the Central Committee for Food Standards to consider the question of differentiating ‘Adulterated’ food from ‘sub-standard’ food, and the action taken by Government thereon.”

##### *Para 16.3*

“The Committee, while taking note of the facts. . . , would like to be informed of the decision taken by the Government on the question of (i) classification of ‘Prevention of Food Adulteration’ as a Centrally Sponsored Scheme with a view to providing Central assistance to the State Governments and (ii) use of traces of edible oils as a preservative in Chillies. The Committee may also be informed about the actual difficulties felt by Government in indicating the dates of expiry on containers of food articles.”

3.2. The Ministry of Health and Family Planning (Deptt. of Health), with whom the above recommendations of the Committee were pursued, have stated as follows:—

*Para 8.3.*

“The matter was considered by the P.F.A. Act and Rules Sub-Committee at its meeting held at Bombay in February, 1972. The Sub-Committee was of the view that any definition of Sub-Standard, Foods, will pose many problems in the implementation of the Food Laws and hence, it will not be desirable to define the term as such.

However, the Sub-Committee has recommended that a provision could be made to Section 16 of the P.F.A. Act that those foods which fall below the prescribed standards of quality or purity or its constituents are present in quantities which are in excess of the prescribed limits of variability, provided that these are beyond the control of manufacturer, distributors, or dealers and are not due to any negligence or any act of commission or omission on the part of producers, manufacturers, distributor or wholesaler or retailer, as the case may be, will not be considered as an offence but the onus of proving so will be on the defence.”

The Ministry of Health and Family Planning (Department of Health) in their subsequent communication, dated the 24th May, 1972, have intimated that the Central Committee of Food Standards has accepted the above recommendation of the P.F.A. Act and Rules Sub-Committee and further action in that direction is being taken.

*Para 16.3*

- (i) “The question of classification of the ‘Prevention of Food Adulteration’ (which has been included in the State Sector) as a Centrally Sponsored Scheme with a view to providing Central assistance to the State Governments for setting up more food testing laboratories for proper and more effective implementation of the Prevention of Food Adulteration Act, has been considered in consultation with the Planning Commission. It was also pointed to the Commission that from a survey conducted with regard to the existing conditions of food laboratories in India that unless some Central assistance in the shape of equipment and staff is provided for the laboratories and State Governments|Local Bodies may not be able to take any concrete steps for improving the conditions due to paucity of

financial resources. The Planning Commission have, however, not agreed to the proposal.”

- (ii) “The Central Committee for Food Standards has reviewed the position and recommended that it is only the smearing of chillies with oil that is necessary and hence a maximum limit of 2.0 per cent was agreed to by the C.C.F.S. There should, however, be a label declaration with regard to the amount and the nature of the oil used.

On the basis of the recommendations of the Central Committee of Food Standards, necessary action for making amendments to the Prevention of Food Adulteration Rules, 1955 is being taken.”

- (iii) “As regards the printing of date of expiry on containers of food articles, the Central Committee for Food Standards at its last meeting while considering the suggestion, was of the view that the same is not practicable for all types of foods. However, where considered necessary, the date of expiry is required to be mentioned on the label as in the case of Infant milk foods under item A. 11.02.18 of Appendix B of P.F.A. Rules.”

**3.3 The Committee note the position stated by the Ministry of Health and Family Planning (Department of Health) regarding implementation of the above recommendations of the Committee.**

## IV

### REPRESENTATIONS INADMISSIBLE AS PETITIONS

4.1. During the period under report, the Committee have considered fifteen other representations and letters addressed to the House, the Speaker or the Committee, by different individuals, which were inadmissible as petitions.

4.2. The Committee observe that through their intervention, the petitioners have been provided expeditious, partial or complete relief or due redressal of their grievances, or that the Ministries/Departments concerned have explained satisfactorily, the grounds for not being able to remove the petitioners' grievances.. (See Appendix V)

NEW DELHI;

ANANT PRASAD SHARMA.

*Dated the 14th June, 1972.*

*Chairman,  
Committee on Petitions*

## APPENDIX I

[See para 1.1 (ii) of the Report]

*Statement showing New Items of Exports introduced and New Markets explored during the Year 1970-71*

Division 1	New Items of Export 2	Name of country explored 3
<b>AGRICULTURAL PRODUCTS:</b>		
	Litchies	U.K., France, Switzerland, Kuwait (on trial basis).
	Oranges	Singapore.
	Capcicum	U.K., France, Switzerland, W. Germany, Kuwait.
	Peas & Beans	Kuwait.
	Onions	Singapore, Kuwait.
<b>GENERAL PRODUCTS:</b>		
	Hard-board	U.K., Nigeria, Seiraleona.
	Coins	Bangkok, Greece.
	Cosmetics	Hungary
	Face Masks	Tehran.
	Hair Clippers	Bangkok, Lagos.
	Printing Ink	Lagos
	Sandal Soap	Canada
	Pressure Stoves	G.D.R.
	Punching Machine	Bangkok
	Grammohpone Records	Hurgery
	Electric Bulbs	Sudan
	Coir Products	Japan, Canada
	Dyes Lashes	U.K.
<b>LEATHER WARE:</b>		
	Leather	Bulgaria, Austria, Hong Kong
	Leather & Leather goods	Australia, Japan, Thailand, Singapore.
	Leather Goods	Malayvia.
	Leather & Leather	
	Footwear	Fiji
	Chappals	Kuwait
	Boots	Nigeria

1	2	3
(New items introduced for exports)	Leather Belts. Purses. Shopping Bags. Hunting: Calf Leather. Crust Leather. Glace Kid. Viper Snake Skins. Sheep Garmet leather	
<b>CHEMICALS DIVISION:</b>		
	Benzene Oxalic Acid Gum Rosin Manganese Carbonate Zinc Chloride Zinc Oxide Ultra Marine Blue Red Lead & Iron Oxide Red Zircan Sand Manganese Dioxide Sludge Caustic Soda P.V. Resins	Austria Bulgaria U.K., Germany, West, Italy, Japan.. Netherlands, Spain, U.K. Australia, Bulgaria, Hungary and other East European Counties. Bulgaria and Hungary. USSR and Japan. Thailand and countries of South East Asia. Netherland Austria and continental Europe East Africa, South East Asia.. Western Europe (Austria).
<b>RAILWAY EQUIPMENT DIVISION :</b>		
	Signal & Point Indicator Lamps for Railways Passenger Coaches Wagons Petrol Tank Wagons	Burma Taiwan Yugoslavia East Africa
<b>TEXTILE DIVISION :</b>		
	Tyre Cord	West European countries
<b>ENGINEERING DIVISIONS:</b>		
	Needle Roller Bearings Radio Valves Thermocouples Teleprinter Galvanised Water Pipes Steel door & window Section Survey Insts. Pipe Fittings Bright Bars	Thailand UAR Kuwait Kenya Nigeria Korea U.K. Burma Hungary.

## APPENDIX II

[See para 101 (iv) of the Report]

### *Legislative and administrative measures taken by Government for combating income-tax evasion*

The department has taken the following administrative, legal and executive measures for early realisation of taxes:—

#### ADMINISTRATIVE MEASURES:

(i) Prior to 1961 recovery of tax arrears was done by State authorities, who often failed to evince sufficient interest in the collection of revenue. The 1961 Act, therefore, incorporated a self-contained Revenue Code and made provision for Tax Recovery Officers who could be Departmental Officers. Earlier the Department had taken over recovery work fully in the Commissioners' charges of Delhi, Andhra Pradesh, Gujarat and Rajasthan and partly in West Bengal, Madras, Mysore, Uttar Pradesh, Bombay and Poona. With the creation of 68 additional posts of Tax Recovery Officers most of the recovery work has been taken over by the Income-tax Department in all the Commissioners' Charges.

(ii) Introduction of the scheme of functional distribution of work in 105 ranges of Inspecting Assistant Commissioner. Here the collection of taxes is made the specific function of one or more Income-tax Officers in the Range.

(iii) Acceptance of crossed cheques by the Department and opening of special receipt counters for this purpose in the Income-tax offices.

(iv) Publication of names of assessee who are defaulters in the payment of taxes over certain prescribed limits.

(v) Arrears Clearance Fortnights are being observed all over the country. During the period special emphasis is laid on carrying out pending adjustments/rectifications, giving effect to appellate orders and collecting the net demands due from the assessees.

(vi) Two Additional Commissioners of Income-tax (Recovery) have been posted exclusively for recovery work in each of the Com-

mission's charges at Bombay and Calcutta. Similarly one Additional Commissioner of Income-tax (Recovery) has been posted in each of Commissioner's Charges at Delhi and Madras.

(vii) Sixty posts of Income-tax Officer (Collections) have been recently sanctioned by the Government for attending to the work of liquidation of arrear demands.

#### LEGAL MEASURES:

(i) Under the Income-tax Act of 1961, Directors of a private limited company, which goes into liquidation after the Act came into force, have been made liable in certain circumstances for the tax payable by the company.

(ii) Production of Tax Clearance Certificates under Section 230 of the Income-tax Act from persons going abroad.

(iii) Clearance Certificates under Section 230A required before a document for sale of property in excess of Rs. 50,000 (other than agricultural lands) can be registered.

(iv) Levy of penalty under section 221 of the Income-tax Act upto 100 per cent of the tax upon a defaulting tax payer.

(v) Introduction of a self-contained recovery code in the Income-tax Act under which the tax in arrears can be recovered by any of more of the modes mentioned below:—

- (a) attachment and sale of assessee's movable property;
- (b) attachment and sale of the assessee's immovable property;
- (c) appointing the receiver for management of the assessee's movable and immovable properties;
- (d) arrest and detention in civil prison of a defaulter;
- (e) Rate of interest in cases of delayed payments has been raised from 6 per cent to 9 per cent with effect from 1st October, 1967.

#### EXECUTIVE MEASURES:

(i) Income-Tax verification/Income-tax Clearance Certificates from persons applying for Import Licences/Quota certificats/Contracts etc.

(ii) Grant of rewards to informers in respect of information or of other assistance in recovery proceedings where the attempts of the Department at recovery have not been successful.



## LEGISLATIVE MEASURES

(i) Section 69A was inserted in the Income-tax Act by Act 5 of 1964 to bring to tax unaccounted money, bullion, jewellery or other valuable articles. Section 69B was inserted in the said Act 10 of 1965 to bring to tax investments not fully disclosed.

(ii) The powers of search and seizure and the powers of entry and survey exercised by the Income-tax authorities were enlarged by amendment of section 132 in 1965 and insertion of section 133A in the Income-tax Act, 1961 in the year 1964. With the creation of posts of Additional Commissioners of Income-tax in 1970, the Commissioners as well as the Additional Commissioners can issue authorisation for search under section 132.

(iii) The provision relating to imposition of penalties for concealment of income was tightened by inserting with effect from 1st April, 1964, an Explanation to Section 271(1) by Act 5 of 1964. By this Explanation if the income returned is less than 80 per cent of the income assessed the assessee will be deemed to have concealed his income unless he proves that the failure to return the correct income was not on account of any fraud or goes or wilful neglect on his part.

(iv) Section 18 of the Wealth Tax Act was amended in 1964 laying down the minimum penalties for concealment of wealth and for the delay in submission of returns etc.

(v) Under Income-tax Act, 1922 a person could either be penalised or prosecuted for tax evasion. Income-tax Act, 1961 in force from 1st April, 1962 provides for prosecution as well as penalty for tax evasion. Prior to 1st April, 1964 the punishment for concealing income was simple imprisonment for six months and/or fine of Rs. 1,000. From 1st April, 1964 it has been altered to rigorous imprisonment for a period of two years with a minimum of six months (unless there are special reasons for awarding a lesser sentence) for false verification in the return of income or abetment thereof.

(vi) Provision has been made with effect from 1st April, 1964 for publication of particulars relating to proceedings under all Direct Taxes Acts in respect of any assessee.

(vii) Provision was made in 1967 for enabling the Commissioner of Income-tax to furnish information relating to any assessee on an application being made to the Commissioner of Income-tax.

(viii) In order to ensure that the necessary information is available to the Income-tax Officer and to ensure that the defaulters do not transfer their immovable assets to defeat revenue, provision has been made with effect from 6th October, 1964 in the Income-tax Act for obtaining a certificate from the Income-tax Officer before transferring any property of a value exceeding Rs. 50,000.

(ix) A new Section 285A was inserted in the Income-tax Act with effect from 6th October 1964 making obligatory on the person entering into a contract exceeding Rs. 50,000 to report the same to the Income-tax Officer.

(x) In 1965 two disclosures schemes were introduced to induce tax evaders to voluntarily disclose the incomes on which tax had been evaded. Rs. 197 crores were disclosed under these schemes.

(xi) In 1965 section 271(4A) was introduced. This section permits the Commissioner to waive penalty for concealment of income if the tax evader voluntarily discloses the concealed income prior to its detection.

The following Legislative Measures were undertaken during the year 1968-69 to check tax evasion:—

(a) Section 40A(2) provides that expenditure incurred in a business or profession for which payment is made to a relative of the partner or proprietor or director of the concern is liable to be disallowed by the Income-tax Officer in computing the profits of the assessee to the extent that such expenditure is considered to be excessive or unreasonable.

• (b) Section 40A(3) has been inserted in the Income-tax Act providing for the disallowance of expenditure exceeding Rs. 2,500 if it is paid otherwise than by a crossed cheque drawn on a bank or by a crossed cheque/draft. The intention is to put a check on bogus payments in cash for reducing the income. To avoid hardship certain relaxations have been made under the rules to permit allowance of expenditure in excess of Rs. 2,500 if it is made otherwise than by a crossed cheque.

(c) Upto 1st April, 1968 the minimum and maximum limits of penalty for concealment of income and wealth were 20 per cent and 150 per cent of the tax evaded. The law has been amended with effect from 1st April, 1968 and the

minimum and maximum limits of penalty have been raised to 100 per cent and 200 per cent, respectively, of the income or wealth sought to be concealed.

- (d) A new section 276B has been inserted in the Income-tax Act. This section provides that in the case of persons who fail to deduct tax at source and pay the same to the Govt., the punishment will be rigorous imprisonment upto six months and also fine of not less than 15 per cent of the tax per annum in default. Before this amendment a defaulter was liable to a fine of only Rs. 10 per day of the default and there was no imprisonment.

The Legislative Measures taken by Finance Act, 1970 are as under:—

- (i) Past experience has shown that charitable and religious and discretionary Trusts are being utilised to divert taxable income. Relevant sections of the Income-tax Act have been amended to provide that:—
- (a) The Trusts should also file their returns of income if the income exceeds the taxable limit, without taking into consideration any exemption under the Act.
- (b) the exemption from taxation will apply only to the extent the income of the Trust is actually applied for purposes of the Trust within the period in which the income arises or within three months of the end of the period.
- (c) the application of the income or corpus of the Trust for the benefit of the persons controlling the Trust in any manner will disable the Trust from claiming the exemption.
- (d) the tax payable by a private discretionary Trust will be calculated as in the case of any representative assessee if the income is not specifically received|receivable as on behalf of the Trust. The tax in such cases will be at a fixed rate of 65 per cent.
- (ii) Since one of the modes of tax evasion is to invest in agricultural land within the vicinity of town municipal area, such assets will now also be brought within the ambit of capital assets for purposes of ascertaining capital

gains tax. (This will apply only to transfers after 1st March, 1970).

- (iii) One of the modes of tax evasion is to claim deduction from the taxable income expenses for entertainment and on guest houses. The amendment has withdrawn such exemption.

Taxation Laws (Amendment) Act, 1970, have made the following changes:—

- (i) With a view to check tax avoidance arising from impressing the self-acquired property of a Hindu with the character of HUF income attributable to the individual, spouse and minor sons and arising out of such transfer of assets will be taxed in the hands of the individual. This provision would apply to such transfers made after 31-12-1969.
- (ii) The punishment for failure to furnish returns of income, whether voluntarily or in response to a notice issued by the I.T.O., will be rigorous imprisonment upto one year or fine ranging between a minimum of Rs. 4|- per day of default and maximum of Rs. 10|- per day, of both according to the discretion of the Court. These provisions in the case of *voluntary returns* will not be attracted where the tax payable (gross minus the tax deducted at source) determine does not exceed Rs. 3,000|- Similarly in cases of non-production of account books, the punishment will be rigorous imprisonment upto on year or fine or both.
- (iii) Interest was formally chargeable from persons who delayed the furnishing of their return of income, but did furnish the return at a later date. This provision is extended to cases where no returns is furnished and the assessments are for that reason made *ex parte*. This will be effective from 1-4-1971.
- (iv) A firm shall not be regarded as a genuine firm if any partner of the firm was, in relation to the whole or any part of his share in the income or property of the firm, at any time during the previous year, a *benamidar* of any other partner to whom he is not related as a spouse of a minor child.

## ADMINISTRATIVE MEASURES

During the last six years the following administrative measures have been taken to check tax evasion.

(i) Central Circles which primarily deal with big cases of tax evasion have been strengthened. Upto 1965 Central Circles existed only at Calcutta and Bombay, but in that year Central Circles were started in Delhi and Madras also. In the year 1968, these Central Circles have been further strengthened by posting 40 more Income-tax officers and four more Inspecting Asstt. Commissioners.

(ii) In 1966 Intelligence Wings were set up at Delhi, Bombay, Madras and Calcutta for the purpose of collecting intelligence in respect of cases of substantial evasion. They also process cases for prosecution where tax evasion is involved. Recently, the activities of the Intelligence Wing have been extended to other areas besides these four cities, and one Assistant Director of Inspection (Intelligence) has been posted in each State.

(iii) The powers of search and seizures u/s 132 which enlarged in 1965 have been fully made use of. Searches have been undertaken in 1447 cases during the period 1-4-1964 to 31-3-1971. The value of assets seized as a result of these searches totals upto Rs. 6.99 crores.

(iv) Section 133A enables an Inspector of Income-tax to enter business premises to inspect books and documents and to place identification marks on them. The powers of survey are being increasingly exercised and survey operations are being undertaken in appropriate cases with encouraging results.

(v) Names of persons on whom penalty exceeding Rs. 5,000 is imposed are published every year not only in the Government Gazette but in important local newspapers as well, in order to produce a deterrent effect on the tax evaders.

(vi) The practice of only levying penalties for concealment of income has been changed and wherever possible prosecutions are also being launched for concealment of income. From 1-4-1968 to 31-3-1971 prosecutions have been launched in 85 cases. Out of these 85 cases, in 21 cases convictions have been obtained.

(vii) With a view to check tax evasion, training has been given to officers of the Intelligence Wing for processing cases from the prosecution angle. A prosecution Manual has also been prepared for the guidance of the officers.

(viii) During the financial years 1966-67 to 1969-70 penalty of Rs. 15.91 crores was imposed in 1,17,633 cases for concealing income aggregating Rs. 61.62 crores.

(ix) A Valuation Cell has been set up to ascertain the correct value of properties where it is suspected that the property has been under-valued to avoid wealth-tax, gift-tax or Estate Duty or to suppress the investment of concealed income.

(x) In 1964, Reward Rules were liberalised with a view to encourage informants to furnish information about tax-evasion. The revision of these Rules is being considered further with a view to encourage informants to come up with precise information instead of making vague allegations of tax evasion.

(xi) From time to time businessmen adopt devices for concealing income or to introduce the concealed income in the form of loans or as non-taxable receipts. Large scale searches were undertaken to break the following rackets of this type:—

- (a) Hundi Loan racket;
- (b) Havala racket;
- (c) Jute racket; and
- (d) Crossword racket.

(xii) In April, 1970, 32 posts of Additional Commissioners of Income-tax have been created. These officers have been given the same status and functions as the Commissioner of Income-tax under the law and have been specifically entrusted with the work of supervising investigations in cases of tax evasion.

(xiii) A Committee consisting of Department Officers was appointed to look into the problem of tax evasion and recommend steps to check the same. The report has been received and is receiving attention.

(xiv) The Government has appointed a Committee of Experts headed by Shri Wanchoo to go into the problem of black money. The terms of reference of the Committee are as under:—

- (a) recommend concrete and effective measures:—
  - (i) to unearth black money and prevent its proliferation,
  - (ii) to check avoidance of tax through various legal devices including the formation of trusts, and
  - (iii) to reduce tax arrears.

- (b) examine various exemptions allowed by the tax laws with a view to their modifications, curtailment or withdrawal.
- (c) indicate the manner in which tax assessment and administration may be improved for giving effect to all its recommendations.

*Measures proposed in the Finance Minister's Budget Speech:*

Further measures proposed to be undertaken during the current year will be clear from the following extracts from the Finance Minister's Budget speech delivered on May 28, 1971.

- (i) Undervaluation of property has been one of the means to evade Wealth-tax, capital gains tax and stamp duties. It has also been an important avenue for the circulation of black money. This practice could be greatly discouraged if Government had the power to acquire properties at prices that correspond to what is recorded in sale deeds. Accordingly, we propose to move a Bill during the current session to acquire this power. I hope it would not be considered dishonourable to take a dishonest man at his word.
- (ii) In pursuance of the Administrative Reforms Commission's recommendations, it is also proposed to sponsor legislation in the current session to discourage *benami* holding of property. If, at the time of assessment, a person fails to declare income from a piece of property or the property itself so as to evade payment of income and wealth taxes, the intended legislation will debar him from enforcing his claim to such property in a court of law.
- (iii) The tightening and strengthening of tax administration has two facets. First, it helps to garner additional yield from the existing tax sources and thus makes it less necessary to look for fresh tax heads every year. Second, since it is generally the well-to-do and the rich who avoid and evade taxes, a tightening of tax administration, including closing of loopholes, would compel them to part with a larger proportion of their incomes and assets and would, therefore, further one of the overriding objectives of fiscal policy.

- (iv) It is proposed to strengthen the Valuation Cell located in the Central Board of Direct Taxes for making valuation of buildings in order to enable it to extend its activities and speed up valuations in cases involving the assessment of wealth tax. For assessment of income tax, under the view procedure which has come into effect from the current year, summary assessments will be completed in most cases which do not involve substantial points of dispute, and only a small proportion of the cases will be subjected to a sample scrutiny subsequently. This will enable the Income Tax Officers to devote correspondingly more time for cases involving substantial revenue.
- (v) To tighten the incidence, the exemption from wealth tax currently available for household or personal jewellery and for shares forming parts of initial capital issues is being withdrawn. In the case of conveyances, the exemption will now be limited to Rs. 25,000 in the aggregate. The existing provision in the Wealth Tax Act excluding from aggregation the assets transferred by an individual to the spouse or minor children is being done away with. A similar provision is being made in respect of conversion of assets of individuals into those of Hindu undivided families.
- (vi) As a further measure to discourage evasion of tax, conversion of the separate property of an individual into property belonging to a Hindu undivided family will be brought within the ambit of the gift tax.



### APPENDIX III

[See para 1.1 (fii) of the Report]

*Terms and Conditions of Advances by Nationalised Banks*

S. No.	Purpose	Extent of Advances	Security	Terms of Repayment
(A) AGRICULTURE				
1.	Short-term loan for agricultural inputs such as seed, fertilizer, pesticides.	Upto Rs. 8,000/- with a margin of 30 to 50 per cent.	Hypothecation of standing crops, guarantee, surety.	Repayable soon after the crop is harvested or within 12 to 15 months after disbursement of loan.
2.	Medium-term loan for irrigation, land development, agricultural machinery such as tractors, pumps sets, sprayers, godowns, etc.	Upto Rs. 30,000/- with a margin of 25 per cent.	Equitable mortgage, Hypothecation comprehensive insurance Guarantee.	Repayable within 3 to 7 years.
3.	Long-term loan for land development schemes.	Do.	Do.	Repayable within 15 years and in decreasing cases 20 years.
4.	OTHERS :			
	(i) Animal Husbandry	Rs. 5,000/- or upto 75% of the cost of the animals but not more than Rs. 5,000.	Hypothecation of animals/birds/equipments, surety and Personal Guarantee.	By monthly instalments within 24 months or earlier.
	(ii) Poultry	Maximum Rs. 3,000/- but not to exceed 75% of the total cost	Do.	Repayment to start 7 months after date of advances and within 24 months maximum 3 years depending upon the project.
	(iii) Piggery	Maximum Rs. 3,000/- but not to exceed 75% of the total cost.	Hypothecation of animals/birds/equipments, surety and Personal Guarantee.	In 3 years by yearly/half-yearly instalments.
	(iv) Custom Service to farmers for hiring/repairing tractors, implements etc. and spraying/dusting.	Margin of 20 to 25 per cent.	Equitable mortgage of land, hypothecation of equipment and personal guarantee.	In 5 years by quarterly or half-yearly instalments.

**Terms of Repayment**

**Security**

**Extent of Advance**

**Purpose**

**S. No.**

**(B) SMALL-SCALE INDUSTRY**

- 1 Working Capital for inventory etc. Actual need of the unit subject Comprehensive Insurance, Hy- 6 months to 12 months (or on  
to a maximum of 75% to 90% pothecation, Guarantee. demand)
- 2 Medium term loan for Machinery Rs. 50,000/- to Rs. 3,00,000/- Equitable mortgage of land or 3 years to 7 years.  
and other fixed assets. other property and insurance.

**(C) RETAIL—TRADERS**

For keeping stocks and against bills, A few hundred rupees to Rs. Pledge/Hypothecation; Guar- (1) Daily sale proceeds are to  
and for working capital and for 25,000/- (50 to 80% of the tees General Insurance be deposited with the Bank.  
purchase of Furniture, Fixtures, assessed requirements) Cover. In Special cases the (2) Loans are to be repaid in  
repairs, renovation of the shop. unsecured advance upto 24 to 36 monthly instalments,  
Rs. 10,000/- are given. For perishable goods clean ad- vances are given.

**(D) SELF-EMPLOYED PERSONS VIZ. ARTISANS, PROFESSIONALS, DOCTORS ETC.**

(tailors, carpenters, electricians, hair dressers, laundress, book binders, picture and photo-framers, etc.)

Working capital and medium term Rs. 1,000/- to Rs. 1,00,000 maxi- Surety, any tangible security, On demand or to 6 months 30  
loan. mum upto 90% of the cost of suitable guarantee, life/insurance to 50 monthly instalments.  
goods. cover of borrower.

**(E) ROAD TRANSPORT OPERATORS**

For purchase of taxis/ trucks/buses Upto 70% of the value of the Comprehensive insurance Hypo- 2 to 5 years monthly instalments.  
Vehicle. thecation Guarantee.

For purchase of Cycle-rickshaw/ Upto 80% of the Cost of the Vehi- Hypothecation, Comprehensive 20 months to 30 months.  
auto-rickshaw. cle. Insurance (for autorickshaw).

(F) EDUCATIONAL LOANS

For Books, fees, etc. (In India) . Upto Rs. 5,000/-  
For Travel and of Books, fees, stay  
expenditure (Abroad) /

Guarantee of parents/guardians  
any other surety.  
Life Insurance policy of the  
student.

6 to 40 monthly instalments after  
completion of the studies  
depending upon the amount of  
loan, nature of course completed  
and the employment secured.

## APPENDIX IV

(See para 1.1 (vii) of the Report)

*Advances of Public Sector Banks since nationalisation*

(Rs. million)

	Outstandings				
	June 1969	Dec. 1969	June 1970	Dec. 1970	March 1971
1. Agriculture					
(a) Direct finance (excluding planation)	380.2	909.3	1534.5	2018.3	1988.0
(b) Indirect finance	1223.3	1249.8	1390.8	1422.2	1290.5
2. Small Scale Industry	2514.6	3103.3	3699.0	4200.4	4404.7
3. Road Transport Operators	66.9	146.7	247.3	370.9	396.2
4. Retail Trade and Small business	192.2	395.0	648.7	744.5	766.5
5. Self-employed persons	3.3	26.9	67.5	85.7	89.3
6. Education	4.6	13.4	20.7	34.7	37.6
	4385.1	5844.4	7608.5	8876.7	8972.8
TOTAL (1 to 6)	30167.6	30023.8	35911.4	37230.8	39343.7
TOTAL ADVANCES					

## APPENDIX V

(See para 4.1 of the Report)

*Representations on which the Committee's intervention has procured speedy reply from the Ministries/Depts., concerned meeting satisfactorily the petitioners' points*

Sl. No.	Name and Address of the Petitioner	Points raised by the Petitioner	Facts pursued by the Committee
1	Shri Chandra Prakash Agstwal, Kalmaganj (U.P.)	Refusal of securities deposited for licences issued under the Essential Commodities Act, 1965.	<p><i>Ministry of Agriculture (Department of Food)</i> The position has been ascertained from the Government of Uttar Pradesh. They have reported that Shri Chander Prakash Agstwal had submitted an application to the District Supply Officer on 16th March, 1971 for refund of securities deposited by (1) M/s. Ramecharan Lal Purshotamas, (2) M/s. Ram Niwas Chandra Prakash, wholesale sugar dealers. All these three applications were signed by Shri Chander Prakash but he could not adduce documentary proof that he had any <i>locus standi</i> to sign on behalf of all these firms excepting M/S. Ram Niwas Chandra Prakash, although he had claimed that he was a partner in writing to collect. Meanwhile, the District Supply Officer released the security of all the three firms and informed them in writing to collect the respective pass-books at any time from his office. The pass-book of security of M/S. Ram Niwas Chandra was delivered on 30th October, 1971. On production of authority letters from the remaining two firms the security books were returned on 4th November, 1971.</p>
2	Shri Gulabmal Hiramal, 340/B Sardarnagar, P.O. Sindhri Colony, Ahmedabad.	Adjustment of compensation & issue of conveyance deed.	<p>M/S. Bengalilal Raj Kishore, did not apply for refund of the security till on the 5th November, 1971 and, therefore, security of this firm could not be returned earlier.</p> <p><i>Ministry of Labour and Rehabilitation (Deptt. of Rehabilitation)</i> The case of Sh. Gulabmal Hiramal was also sponsored by the Cabinet Sectt. RSC (B) intimated that the applicant in his compensation application has shown that he was an allottee of GBP No. 523/B, Sardarnagar, therefore, a sum of Rs. 675/- towards the rent arrears and Rs. 2902/- towards the cost of his property</p>

were adjusted from his compensation. But according to the report given to the RSC(B) by the Administrator, Sardarnagar Township, Ahmedabad the above said tenement has been allotted to the Police Commissioner and that a member of his staff is staying there. It appears that the applicant was subsequently allotted tenement No. 340/B. The RSC(B) has therefore requested the Administrator Sardarnagar Township to intimate to him whether the claimant is an authorised allottee of Tenement No. 340/B and if so, to intimate the date from which this tenement was allotted to him. Since the amount of Rs. 2902/- has already been adjusted towards tenement No. 523/B, Sardarnagar Township and recovery schedule intimaing the adjustment had been sent to the Administrator Sardarnagar Township the RSC(B) requested the Administrator to send him 'No Refund Certificate, alongwith the detailed report to enable him to carry out the required adjustments against the tenement No. 340/B. Further action for re-adjustment of the amount against the tenement No. 340/B, will be taken on receipt of a 'No Objection Certificate, from the State Government.

The conveyance deed of the property having been issued in 1963, Department of Rehabilitation was no longer concerned with the Civil Suit between private parties. One of the parties wanted the Govt. to defend the case which was not considered advisable for Govt.

*Ministry of Labour and Rehabilitation (Department of Rehabilitation)*

Smt. Lahribai had already been paid compensation on the total verified claim as under:

Total compensation payable:	Rs. 4,936/-
Adjusted towards loan:	Rs. 332.6
Cash payment:	Rs. 4,603/-

Since her land claim stands rejected in *suo moto* revision, no further compensation is payable in this case which can be adjusted towards the above evacuee property.

3 Dr. K. L. Choudhury, Manager,  
Anglo Bengali Girls Inter  
College, Rakabganj Road, Agra.

[Also See Item I, Appendix II,  
First Report, Fifth Lok Sabha]

Re. Defending the case in respect  
of property No. 3935/6012, Agra,  
in the Court of Law.

4 Smt. Lahribai C/o Sh. Doulatram  
Gangaram Sindhi, Soniwada  
Rughnath Ni Pole, Patna, Distt.  
Meharanga.

Sale Certificate in respect of  
E.P. No. AMC 1680, Beawar  
(Rajasthan)

Since her land claim stands rejected in *suo moto* revision, no further compensation is payable in this case which can be adjusted towards the above evacuee property.

5 Sh. Tulsi Das Rijhumal, Sindhvi Finalisation of CAF Np. K/B/  
Camp, Nagaswada Kanbaria, 32007.  
Ahmedabad.

The claimant in his representation had stated that he had not received even interim compensation from the Compensation application form filled by him. A perusal of records shows that the CAF of the claimant was finalised as far back as in the year 1960 and a statement of account was sent by post on 27-5-61 for Rs. 3607/- to Shri Tulsi Das Rijhumal resident of F-28, Gopalpur Post office, Gandhidham. Further so many letters were issued on the address i.e. C/o Shri Issardas S/o Jiwatmal, Baldeogani, Lohamandi, Agra but all the communications received back, undelivered. The statement of account sent by post to the claimant does not appear to have been received back undelivered. Since the case stands already finalised by issue of statement of account, no further action is required to be taken at our end. It is further suggested that the claimant may kindly be asked to confirm whether the statement of account in question for the above amount was not received by him. (The petitioner has been informed accordingly).

In their subsequent letter, dated the 20th June, 1972 the Ministry of Labour and Rehabilitation (Deptt. of Rehabilitation) have stated as follows:

"Perusal of record of case file reveals that a statement of Account of Rs. 3607/- was sent to the claimant by post during May 1961. Since acknowledgement receipt has not been found linked with the file, therefore name of its recipient cannot be ascertained.

As per record of case file neither any adjustment proforma spending nor the amount in question has been utilized. In other word amount is in tact and can be paid to the claimant in the form of adjustment towards purchase of compensation pool property or U.P.Z.A. Bonds of 25 years non interest bearing, subject to furnishing an indemnity Bond duly executed on non-judicial stamped paper of Rs. 10/- to the effect that Statement of Account in question has neither been received by him nor utilized by him or through his authorised agent in what-so ever manner and indemnifying to the Government of India in case any discrepancy is found out at later."

1	2	3	4
6	Sh. Khubchand Chhabaldas, Kilara Merchant, Bijisar Colony, Palanpur.	Adjustment of associate claims towards the cost of GBP No. 174-A, Udhavnagar, Wadei Colony, Ahmedabad.	Shri Khubchand Chhabaldas has filed his CAF Number B/A/A 31/IVNT which stands finalised as under:—
			Total compensation payable . . . . . Rs. 2,277.00
			Adjusted towards R.A. . . . . Rs. 346.69
			Adjusted against cost of GBP mentioned above . . . . . Rs. 1,930.31
			Rs. 2,277.00

As regards payment of compensation, his case stands finally settled and no more compensation is payable. He has further stated in his representation that for the balance cost of GBP he had associated the claim of one Shri Mulchand Chachlomal but he has not mentioned the correct particulars of the CAF No. of Shri Mulchand Chachlomal. The complainant now is only agitating for the non-adjustment of Rs. 398.59 from the CAF of Shri Mulchand C. in spite of repeated reminders to him, no reply has been received from Shri Khubchand. The matter will be looked into and final report sent after the necessary information is received from the complainant. [The petitioner has been informed accordingly.]

7 Sh. Rejuma Teomal, 714/2, Ambawadi, Sardar nagar, Ahmedabad.

Adjustment of associate claim

In view of the departmental reference made under Section 24 of the Displaced Persons (Compensation & Rehabilitation) Act, 1954, adjustment to the extent of Rs. 2,245/75 carried out towards plot no. 112, Udhavnagar-3 was set aside vide order dated 25-5-71 passed by Shri B. G. Regt, Authorized Chief Settlement Commissioner. Accordingly no refund certificate was called from the Administrator Udhavnagar and the case proceeded for the adjustment of the same amount towards G. B. P. 147-B, Sardar Nagar, Ahmedabad. Necessary information regarding adjustment will be sent to the authority concerned after the bill is admitted by the Pay & Accounts Officer, New Delhi.



8 Sh. Rattan Lal Gupta 4172  
Telmandi, Paharganj, New Delhi

Re-hearing of Sh. Ratanlal Gupta  
by Deptt. of Rehabilitation on  
his petitions, dt. 6-12-60 &  
18-3-61, relating to compensa-  
tion claim in respect of exchan-  
ged property.

As regards the other adjustment for Rs. 223/- towards tenement No. 840/1, it is stated that there is no balance available which could be adjusted further.

The facts of the case are that Shri Rattan Lal Gupta and had entered into an agreement on the 3rd October, 1947 exchange of his property situated at Rawalpindi with that of and evacuee Haffi Mohd. Umar whose properties were situated at Ambala. He applied on 29th, January, 1948 U/S 5 of East Punjab Act XVI of 1947 for confirmation of the transaction. His application was rejected by the District Rehabilitation Officer. Thereafter he went in appeal before the Addl. Custodian of Evacuee Property who upheld the order of the District Rehabilitation Officer. Dis-satisfied with this order he filed a revision petition before the Custodian General who dismissed on 9-3-51 on the ground that there was no valid registration of the exchange deed and as such no title had passed on to the applicant. Having exhausted all the remedies, he approached this Ministry for relief. It may be stated that the order passed by the Custodian General became final U/S 28 of the Admn. of Evacuee Property Act, 1950. Besides, the Ministry has no power to interfere in the judicial orders passed by the Custodian Officers (including C. G.). His case was, however, considered and Custodian General was requested to review it. But the Custodian General returned the case stating the he was of the view that nothing further could be done by him in the matter. Thereafter, the applicant filed write petition in the Punjab High Court which was heard on 3-4-57 and it was dismissed. He then filed a Letters Patent Appeal in the Punjab High Court. In the meantime, his case alongwith other similar cases was placed before the Rehabilitation Committee of the Cabinet for orders. The Committee in the meeting held on 29-8-59 decided that it would not be justifiable to regularise the exchange transactions but it favoured the suggestion given by this Ministry to grant *en-gratia* relief to the parties generally on the lines of the compensation admissible under the D. P. (C & R) Act, 1954.

The applicant was informed that his request for grant of *ex-gratia* relief on purely humanitarian ground could be considered only after he had withdrawn the writs petition from the Punjab High Court. He subsequently withdrew the writs against the Ministry and his request for *ex-gratia* grant was considered.

As regards the quantum of *ex-gratia* grant, the position is that the value of his property left in Pakistan as shown in the exchange deed is Rs. 1,46,000/-, on which compensation under the D.P. (C & R) Act, 1954 works out to Rs. 27,880/- Later on, it came to light that the petitioner had filed a claim for the same property under the claims act and had valued property at Rs. 39,250 which amount was accepted by the Claims Officer. Compensation under the D. P. (C&R) Act, 1954 on Rs. 39,250/- works out to Rs. 9,389 and accordingly he was allowed this amount as *ex-gratia* grant in consultation with the Ministry of Finance. It will be seen that the assessment of the claim is based on the basis of his own valuation and he cannot, therefore, complain on that account. It may be stated that the applicant has exhausted all the legal remedies available to him and an *ex-gratia* grant of R. Rs. 9,389 was made to him.

It will be seen that the case of the applicant has already been considered and he was given the necessary relief. It is not possible to do any thing further in the matter.

9 Shri Karamchand Bherumal, Inadequate amount of compensa-  
D-181, Kubernagar, Ahmedabad tion

The complainant had right by been paid compensation the details are given as under:—

Total compensation due	Rs.
	1,686-66
Adjusted towards Rent Arrears	590-00

Adjusted towards cost of GBP No. D-181, Kuber-  
nagar 1,096-66

TOTAL  
1,686.66

Thus from the above it would appear that the compensation had rightly been paid and no further amount is payable in this case.

10 Shri M.L. Talwar, Secretary,  
Beas Project Engineer's Association, Sundernagar, Township (H.P.)  
Amendment of residential accommodation allotment rules of the Bhakra Management Board

[*Ministry of Irrigation and Power*]

In their Fourth Report presented to the Lok Sabha on the 19th December, 1968, the Committee on Petitions after considering the representations from Sarvashri K. N. Singh and S. S. Sondhi of Beas Designs Organisation, Kakanagar (Delhi) and in the light of the comments and oral evidence of the Ministry of Irrigation and Power, had recommended in paragraph 146 as follows :

“As regards amenities to the staff, the Committee had elicited an assurance from the Government witnesses that accommodation comparable to that provided to the staff already at Nangal would be provided to the staff under transfer. The Committee hopes, and trust that on this score the employees would not have any discontent..

2. In the representation dated 19-8-1971, now made by the Secretary, Beas Project Engineers' Association, it is alleged that the above assurances have not been implemented and that the Bhakra Management Board have so framed the rules for allotment that officers and staff of Bhakra Management Board are given an *ante*-dated seniority of one year as compared to the staff and officers of Beas Designs Organisation. It has been further alleged that

some very good houses have been earmarked for Irrigation Wing Officers of Bhakra Management Board. It has, therefore, been contended that discriminatory arrangements in contravention of the assurances mentioned above have resulted in denial of allotting comparable accommodation to the officers and staff of Beas Designs Organisation.

3. The facts are, however, that in order to provide proper accommodation to the officers and staff of Beas Designs Organisation, who were to shift to Nangal from Delhi during the period December, 1968 to May, 1969, all allotments of accommodation to the officers and staff of Bhakra Management Board and belonging to other Government Departments were frozen in February, 1968. This action was taken for providing status or shelter accommodation to the staff of the Beas Organisation. Thus the accommodation that was made available at Nangal to the Director, Deputy Directors, Senior Design Engineers and Assistant Design Engineers, who shifted in the first two batches was according to the status to as many officers as possible and for those officers who could not thus be accommodated immediately, shelter accommodation was provided. (Shelter accommodation is accommodation one step lower than the status accommodation). In these two batches, 2 Directors, 21 Deputy Directors/Senior Design Engineers and 44 Assistant Design Engineers were shifted from Delhi to Nangal. Out of these 67 officers status accommodation was allotted to 44 officers and shelter accommodation to 23 of them. It may be mentioned that against 2,655 sq. ft. plinth area available to Directors at Delhi, an area of more than 330.4 sq. ft. was made available at Nangal. Similarly to Deputy Directors an area of 2500 sq. ft. was made available against 1770 sq. ft. occupied by them at Delhi. For Assistant Design Engineers the area made available ranged from 1085 to 1785 sq. ft. against 885 sq. ft. occupied by them at Delhi. The areas or type

of accommodation occupied by officers other than Beas Design Organisation, of the same status was also the same as indicated above. Thus, no disparity or discrimination was shown in the matter of allotment.

4. It may also be mentioned that all the staff that shifted from Delhi has since been given status accommodation. It may further be mentioned that at the time of shifting of officers of Beas Design Organisation from Delhi to Nangal, some 25 officers of Bhakra Management Board were residing in shelter accommodation and the Beas Design Organisation officers were given preference over them in the matter of allotment of status accommodation.
5. The allotment rules for the Nangal Township houses provide that if status accommodation is not available at the time of joining of any officer at Nangal, shelter accommodation be provided and status accommodation be given on seniority basis. The seniority is counted on the basis of length of stay of the person concerned at Nangal Township in the particular grade against which the accommodation is sought. As it was not possible for all the Beas Designs Organisation staff to be accommodated in status accommodation by evicting the Bhakra Management Board staff already in occupation of such accommodation, the best thing that could be done at that time was to freeze further allotment and this was done.
6. As regards allegation that *ante*-dated seniority of 1 year was allowed to the officers and staff of Bhakra Management Board, the Board have explained that because the Bhakra Right Bank Power Plant was under construction and maintenance and running of left Power Plant and the operation of reservoir needed priority consideration, the officers and staff of Bhakra Project associated with the above jobs were given some priority in the allotment. It may, however, be stated that all the officers of Beas Design Organisation have by now been given their status accommodation.

Presently, the allotment rules have been modified and they do not provide for any *ante*-dated seniority to be given to staff of Bhakra Project. The Board have, however, in the interest of proper maintenance and running of the Project, considered

necessary to earmark certain accommodation for staff who are directly concerned with such operation. Normal allotment rules are being followed for all the remaining staff of Bhakra Project and Beas Design Organisation.

7. As regards the instances quoted in the representation mentioned above, it may be stated that two S. Es. houses referred to are earmarked for the Superintending Engineers of the Irrigation Wing of B. M. B. and are not in the General Pool for allotment. It may be further pointed out that the S. E. Beas Designs Organisation was offered a status accommodation but he declined to accept it and he was allotted an Executive Engineer's house according to his own choice.

8. A similar complaint has been made with regard to the accommodation provided to Executive Engineers of the Beas Designs Organisation. It is stated that the Executive Engineers of the Bhakra Management Board who joined at Nangal on later dates were given houses by denying the same to the officers of the Beas Designs Organisation, who had joined at Nangal earlier. It has also been alleged that some such houses have fallen vacant in April, 1971 and have been kept vacant and are not being allotted to the officers of the Beas Designs Organisation living in shelter accommodation. The four houses that had fallen vacant during May to August, 1970 were allotted during the month of September 1970, in accordance with the length of stay of the officers at Nangal reckoned according to the allotment Rules. Upto December, 1970, one Director and six Senior Design Engineers of Beas Designs Organisation were residing in shelter accommodation. These officers had been offered status houses time and again but they had declined these offers and preferred to continue their shelter houses of their own choice.

9. As regards the two vacant houses not being allotted to the officers of Beas Designs Organisation living in shelter houses, it may be mentioned that these houses were to be allotted to the Shift Engineers of Power Wing as per the proposal of earmarking

houses for certain categories of officers, occupying key-posts. So far the Power Engineers were accommodated in the buildings constructed by the Power Wing and the Irrigation officers were accommodated in the houses built by the irrigation wings but the Power Wing officers claimed that as they have to work in shifts round the clock, they should be given better houses, which they thought were these constructed by the Irrigation Wing. While the question of earmarking of houses was under consideration, these two houses fell vacant and it was decided by the Bhakra Management Board that their allotment should not be made until a decision in the matter was taken. According to the decision taken later, these two houses stand earmarked for Shift Engineers.

10. It has further been mentioned that similar instances of discrimination for junior officers and the staff are prevailing. In this context, it may again be affirmed that allotments are being made strictly according to the allotments rules and Beas Designs Organisation's officers, senior or junior, are not being discriminated against. It may also be stated that the Beas Project Engineers Association were agitating only to get certain specific houses for which the Bhakra Management Board could not agree. The fact that Chairman, Bhakra Management Board is competent to take decision on such matters may be appreciated

*[Posts and Telegraphs Board]*

Investigations on the various points raised on the letters from M/s Francis Klein & Co. P. Ltd., South Extension, New Delhi, have been completed.

The subscriber has complained against bills of 1.7.71, 1.10.71, 1.1.72 & 1.4.72 for excessive local calls. The complaint has been got examined and thoroughly investigated. The meter and associated equipment have been checked and those are functioning normally. Outdoor equipment does not indicate any possibility of tempering. The number has been checked for STD calls and it is observed that STD calls are being made from this telephone. The log-book of calls maintained by the subscriber has been seen by our Engineering Supervisor and it indicates that the subscriber makes calls to Bombay and Chandigarh

Excessive telephone bills in respect of Telephone No. 621480

11 Sh. R. Ganapathy, Branch Manager, Francis Klein & Co. Pvt. Ltd., B-65 South Extension Part II, New Delhi-49.

Otherwise also the rate and pattern of calling do not reflect anything unusual or abnormal. There are no calculation mistakes either. In the circumstances, there is no justification for grant of rebate. The subscriber has been informed accordingly.

The subscriber in his letter No. 2064/KK, dated the 4th April, 1972, has commented that it will be about 5 hours for making as many as 104 calls. This is not correct. If the subscriber makes an STD call to Bombay the metering is every two seconds and the meter will register 104 calls in 208 seconds. *i.e.*, hardly about 4 minutes. Our observations clearly show that the subscriber is a heavy user of the STD service.

In his letter dated the 8th November, 1971, the subscriber has complained about two trunk calls *viz.*, one to Saugar on 16-9-71 and another to Thana on 18-10-71, included in the trunk calls bill dated 1-11-71, were not made by him... On verification it is seen that the two items in the bill actually pertain to a phonogram to Srinagar on 16-10-71 and a trunk call to Jharia No. 6541 on 18-10-71. A clerical mistakes has been committed while entering these items on the bills. The correct position has been explained to the subscriber on 21-4-72.

[The petitioner has been informed accordingly]

12 Sh. Bharmar Barik Mahtab  
Nagar Kudiary, via Jatni Distt.  
Puri. Non-payment of Special contribution to Provident Fund to Shri Bhramar Barik, Retired Stall Keeper, South Eastern Railway.

*Railways (Railway Board)*

The amount of Special Contribution to Provident Fund, due to Shri Barik, has since been passed for payment to the party by the Postal Money Order as desired by him.

13 M/s. Arumuga Mudaliar & Co.,  
Elkambarappam, Distt. Chittoor. Claims for compensation Ex-Nagari dated 5-8-1969. to Tirilagarh—PWB No.094394

The matter has been examined in consultation with the Railway Administration, It is revealed that the party's claim for compensation on account of shortage from the subject consignment has since been met by payment of Rs. 82.00 (cost of shortage plus proportionate freight).



As regards the party's request for refund of demurrage charges collected in respect of this consignment the Railway Administration have stated that on arrival of the consignment at destination on 23-3-71, sender's agent who visited the station was informed about the arrival of the same. But nobody turned up to effect delivery before 9-5-1971. As such the shareage charges referred to as "demurrage" charges by the petitioner, had been correctly realised and there is no justification to refund the same.

14 Smt. Prem Narang, H-9/3, Malviya Nagar, New Delhi-17. Auction of residential plots lying in Displaced Persons' Colonies.

*Labour and Rehabilitation  
(Department of Rehabilitation)*

This Department is concerned with paragraph 4 and 5 of the petition dated 27-12-71 of Mrs. Prem Narang

The Ministry of Rehabilitation had developed a large number of colonies comprising about 60,000 houses/plots etc. for the rehabilitation of displaced persons from West Pakistan. These plots formed part of the 'Compensation Pool' and were to be administered under the Displaced Persons (Compensation and Rehabilitation) Act, 1954, and as such are being managed and disposed of by the Department of Rehabilitation. Most of these properties have already been transferred to the displaced persons or otherwise disposed of in accordance with the provisions of Displaced Persons (Compensation and Rehabilitation) Act, 1954. The process has, however, not yet been fully completed and certain plots are still undisposed of. For the disposal of these remaining plots etc. they were advertised for auction in February, 1972. In view of the policy of winding up the Settlement Organisation, the possibility of entrusting the management and disposal of these properties to the Ministry of Works, Housing and Urban Development, was being examined to enable that Ministry to take charge of these properties. Accordingly it was decided that scheduled auction of these plots might be stayed for the time being. ■

[Posts & Telegraphs Board]

15 Sh. A.K. Basu Choudhuri Advocate, Prasadpur House, Agra. Payment of a certain bill in respect of Telephone No. 74376 Agra.

1. Telephone Revenue dues to the extent of Rs. 29.40 for periods in 1969-70 were outstanding against the Telephone No. AG-74376, which stands in the name of 'Dr. T.C. Basu-Chaudhury, the father of the complainant. Telephonic reminders.

23-1-71 and 2-7-71 were issued to the subscriber for expediting payment but the dues remained unpaid till 3-7-71. When the complainant asked for duplicate copies of the bills which were supplied. After receiving the consolidated bills, he intimated that the payment had already been made in the Agra Collectorate Post Office on 30-1-71.

2. Verification by Telephone Revenue Accounting Unit did not reveal any such payment in the authorised Post Office and as a result thereof the Telephone was disconnected on 28-7-71.

3. On disconnection of the telephone, the complainant visited the office of Divisional Engineer to complain about the disconnection and to state that the payment had already been made. He also produced a torn and faded receipt issued by Johari Bazar Post Office on 30-1-71. The Telephone was restored immediately and action was taken to verify the payment in the Telephone Revenue Collection list of the Post Office for that day, but without success as the particulars given in this case were also wrong. Subsequent the complainant revealed that the payment of Rs. 29.40 was made money order payable to Postmaster, Agra hooked at Night Post Office of Johari Bazar on 30-1-71. Although this amount was received by the Postmaster, Agra, as money order and credited under T.R.C. head, it could not be co-related in the bills Register for want of paid copy of the bills.

4. The complainant was inconvenienced due to the fact that he gave wrong particulars of payment and did not follow the prescribed mode for payment of telephone dues. Telephone bills are required to be paid in full at any of the offices authorised to receive such payments. Any clarification has to be sought after making the payment, quoting bill number, office and date of payment, receipt number etc.

5. Thus, it will be seen that the subscriber did not furnish correct payment particulars to the Telephone Revenue Accounting Unit. Secondly, he had resorted to a mode of payment i. e., by money order which is not a prescribed one.

As a result thereof, the amount could not be accounted for and the telephone was disconnected on 28-7-71 and was restored immediately the same day.

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