

COMMITTEE ON PETITIONS

(SIXTH LOK SABHA)

TENTH REPORT

[Presented to Lok Sabha on 9-5-1979]



**LOK SABHA SECRETARIAT
NEW DELHI**

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**COMPOSITION OF THE COMMITTEE ON PETITIONS
(1978-79)**

CHAIRMAN

Shri Hari Vishnu Kamath

MEMBERS

2. **Shri Aghan Singh Thakur**
3. **Shri M. Arunachalam**
4. **Shrimati Kamala Bahuguna**
5. **Shri Manoranjan Bhakta**
6. **Shri Haren Bhumij**
7. **Shri Ahsan Jafri**
8. **Shri Kishore Lal**
9. **Shri Lalji Bhai**
10. **Shri Nanubhai N. Patel**
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12. **Shrimati Rano M. Shaiza**
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14. **Sardar Raghbir Singh Virk**
15. **Shri Yuvraj**

Secretariat

Shri M. P. Gupta—Senior Legislative Committee Officer.

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

I

INTRODUCTION

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

- (i) Petition No. 1 regarding conduct of ex-Chief Minister, certain Ministers and Government officials of Andhra Pradesh.
- (ii) Petition No. 5 regarding demands of Railwaymen.
- (iii) Petition No. 8 regarding proposed Fertilizer and Petro-Chemical Complex on the Coast of Alibag, Distt. Kolaba.
- (iv) Petition No. 16 regarding inclusion of Bhatara Tribe of Kalahandi District in the list of Scheduled Tribes of Orissa.
- (v) Petition No. 21 regarding rehabilitation of the Bhakra Dam oustees.
- (vi) Petition No. 22 regarding working of the Life Insurance Corporation of India.
- (vii) Petition No. 26 regarding demands of students.
- (viii) Petition No. 27 regarding grievances and demands of agricultural workers.
- (ix) Petition No. 28 regarding increase in prices due to Budget proposals.
- (x) Representation regarding demands of Railwaymen.

1.2. The Committee considered the above matters at their sittings held on the 16th July, 1977, 27th June and 21st December, 1978, 29th and 30th January and 14th February, 1979.

1.3. The Committee considered their draft Report at their sitting held on the 4th May, 1979, and adopted it.

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

NEW DELHI;
Dated the 4th May, 1979.

H. V. KAMATH,
Chairman,
Committee on Petitions.

II

PETITION NO. 1 REGARDING CONDUCT OF EX-CHIEF MINISTER, CERTAIN MINISTERS AND GOVERNMENT OFFICIALS OF ANDHRA PRADESH

A. Petitioners' Grievances and Prayer

2.1. Petition No. 1 (See Appendix I) signed by Shri Konda Lakshman Bapuji and twenty-one other members of Andhra Pradesh Legislature, on the above subject, was presented to Lok Sabha on the 7th April, 1977, by Shri Jyotirmoy Bosu, M.P.

2.2. In their petition, the petitioners prayed as follows:—

"We have endeavoured to present a few among the more important and glaring instances of the misuse of authority by the Chief Minister and some other members of the Council of Ministers. We request that all the above cases may kindly be got thoroughly enquired into for taking necessary action."

B. Comments of the Ministry of Home Affairs

2.3. The petition was referred to the Ministry of Home Affairs (Department of Personnel and Administrative Reforms) for furnishing their factual comments thereon, for consideration by the Committee. In their note dated the 17th June, 1977, the Ministry of Home Affairs (Department of Personnel and Administrative Reforms) have stated as follows:—

"The matters mentioned in the Petition No. 1 presented to the Lok Sabha on 7-4-1977 by Shri Jyotirmoy Bosu regarding conduct of the Chief Minister, certain Ministers and Government Officials of Andhra Pradesh are a verbatim copy of the Memorandum of allegations dated 6-4-1977 submitted by some MLAs of Andhra Pradesh to the Prime Minister. In accordance with the settled procedure, the comments of the Chief Minister of Andhra Pradesh were obtained on the allegations contained in the memorandum afore-mentioned, and, a Commission of Inquiry, headed by Shri J. R. Vimadalal, a retired Judge of the Andhra Pradesh High Court, has been appointed under the Commissions of Inquiry Act, 1952, on 19-5-1977, to enquire into the allegations contained in the said

Memorandum. A copy of the Notification S.O. No. 360(E) dated 19-5-1977 containing the terms of reference of the Vimadalal Commission of Inquiry is enclosed (See Appendix II)".

2.4. The Committee on Petitions at their sitting held on the 16th July, 1977, considered the matter and noted from the factual note dated the 17th June, 1977, furnished by the Ministry of Home Affairs that the matters mentioned in Petition No. 1 were a verbatim copy of the memorandum of allegations dated the 6th April, 1977, submitted by some M.L.As. of Andhra Pradesh to the Prime Minister. After obtaining the comments of the Chief Minister of Andhra Pradesh on that memorandum of allegations, a Commission of Inquiry headed by Shri J. R. Vimadalal, a retired Judge of the Andhra Pradesh High Court, had been appointed by Government under the Commissions of Inquiry Act, 1952, on the 19th May, 1977, to inquire into the allegations contained in the aforesaid memorandum.

The Committee decided to await the report of the Inquiry Commission on the matter.

2.5. The Ministry of Home Affairs in their communication dated the 22nd July, 1978, stated that "the first Report of Vimadalal Commission of Inquiry was laid on the Table of Lok Sabha on the 21st July, 1978. A copy of the Report alongwith a statement of action taken (See Appendix III) thereon is sent herewith."

2.6. In their communication dated the 30th December, 1978, the Ministry of Home Affairs furnished a copy of the Final Report of the Vimadalal Commission of Inquiry along with a statement of action taken (See Appendix IV) thereon.

C. Recommendation of the Committee

2.7. The Committee note that the First Report of the Vimadalal Commission of Inquiry which enquired into the matter, was laid on the Table of Lok Sabha on the 21st July, 1978, and that the Second and Final Report of the Commission had also been submitted to the Government. The Committee also note that both these Reports have been remitted by the Government of India to the Government of Andhra Pradesh for taking necessary follow-up action according to law in the light of the findings of the Commission contained in their Reports.

2.8. The Committee recommend that the final action taken by the Government of Andhra Pradesh on the findings and recommendations of the Vimadalal Commission of Inquiry may be intimated to the Committee in due course.

III

PETITION NO. 5 REGARDING DEMANDS OF RAILWAYMEN

3.1. Petition No. 5 signed by Shri J. P. Chaubey, General Secretary, All India Railwaymen's Federation, New Delhi, regarding demands of Railwaymen was presented to Lok Sabha on the 7th December, 1977 by Shri Dilip Chakravarty, M.P.

A. Petitioners' Demands

3.2. In his petition (See Appendix V), the petitioner made the following demands:

- (1) (a) All penal actions and trade union victimisation of railwaymen including adverse entries connected with strikes be withdrawn with retrospective effect;
 - (b) Removal and suspension period connected with May, 1974 strike be treated as duty and full payment be made;
 - (c) The strike period be treated as duty and full wages paid;
 - (d) Additional increment which has been given to the so-called loyal workers be also granted to others who were not given the same, to remove the discrimination.
- (2) Bonus to railwaymen at one month's wages (8.33%);
- (3) (a) Job evaluation for all railwaymen through scientific system to be followed by their reclassification, regradation with the needbased minimum wage as the base for the lowest paid workers;
- (b) Pending completion of job-evaluation and re-classification, immediate parity of wages with those of workers in the central undertakings;
- (c) Working hours of railwaymen be reduced to 8 hours per day;
- (4) (a) Dearness Allowance linked to the cost of living index with full neutralisation for every rise of 4 points in a six monthly period;
- (b) Cut in the rate of neutralisation affected during the emergency by bringing down the quantum of neutralisation from 4 per cent to 3½ per cent in the case of those drawing salary upto rupees 300/- per month and from

3 per cent to 2½ per cent in case of others be restored retrospectively;

- (c) The impounded slab of Dearness Allowance be restored;
- (5) All CDS money be refunded;
- (6) Decasualisation of all casual railwaymen and their confirmation in services with all benefits;
- (7) Supply of adequate and subsidised foodgrains and other essential commodities through departmentally run shops;
- (8) Employment of wards of railway employees in class 'C' and 'D' of railway service against 25 per cent reserve quota;
- (9) Formation of the Union in the Railway Industry through referendum;
- (10) Restructuring of the Railway Management and placing the management of the Railways under the control of an independent corporation consisting of representatives of railway users, business community, railway labour and the government, with Railway Minister as its Chairman.

B. Comments of the Ministry of Railways (Railway Board)

3.3. The petition was referred to the Ministry of Railways (Railway Board) for furnishing their factual comments thereon for consideration by the Committee. The Ministry of Railways (Railway Board) accordingly furnished their factual comments on the demands contained in the petition vide their note dated the 4th February, 1978.

3.4. The Committee on Petitions at their sitting held on the 27th June, 1978, considered the matter and directed that the latest factual position on the various demands of the Railwaymen contained in their petition might be ascertained from the Ministry of Railways (Railway Board) for their consideration.

3.5. The Ministry of Railways (Railway Board) with whom the matter was taken up, have furnished vide their communication dated the 22nd January, 1979, the latest demand-wise factual position on the various demands of Railwaymen contained in the petition stating as follows:—

"Demand No. 1(a), (b) and (c)

- 1(a) All penal actions and trade union victimisation of railwaymen including adverse entries connected with strikes be withdrawn with retrospective effect;

(b) Removal and suspension period connected with May, 1974 strike be treated as duty and full payment be made;

(c) The strike period be treated as duty and full wages paid.

Comments:

(a) All forms of victimisation such as dismissal, removal, suspension, stoppage of increment, break in service, transfers, etc. in the case of 20,700 employees in connection with the strike of May 1974 have been vacated. Instructions have also been issued that entries in the service records regarding the strike should be deemed to be non-existent and the entries in the confidential reports should be cancelled so that they cannot operate against staff at the time of considering them for promotion etc.

(b) The period of suspension and the intervening period between the date of dismissal/removal and reinstatement has already been treated as duty and this part of the demand stands conceded.

However, payment for these periods has been limited to the amount of pay equivalent to subsistence allowance. The demand that full pay and allowance should be given for these periods also, has been considered, but it has not been accepted.

(c) In accordance with the standing practice, the break caused by the strike was initially condoned and continuity of service restored, the period of strike itself not counting for any purpose. Subsequently, however, instructions have been issued in March '78 that the period of absence should be treated as leave due or as leave without pay where no full pay or half pay leave is due; in all cases, the period will count for increment.

Demand No. 1 (d):

Additional increments which have been given to the so-called loyal workers be also granted to others who were not given the same, to remove the discrimination.

Comments:

With a view to rewarding the loyal workers who did not participate in May '74 strike, it was decided by the then Government that loyal workers should be given one of the benefits i.e., advance increment, cash award, hard duty allowance, extension/re-employment in service and consideration for appointment of their sons/daughters.

(2) In regard to these awards, it was specified that it would be admissible to those officers and staff who had stuck to their post

to keep the Railways functioning. For this purpose, attendance despite intimidation, threat of violence and hardship in coming to the place of duty was to be taken into account. For purposes of grant of advance increment the *authorised* absence upto three days was to be condoned.

(3) The advance increment was to be given from 1-6-74 in all cases and the subsequent increment in the scale in which advance increment had been granted was to be allowed on the normal date i.e. on the date on which the normal increment would fall due but for the grant of advance increment and not on the anniversary of the grant of advance increment. This was, therefore, an additional increment.

(4) The request for the grant of advance increments to 5.91 lakhs employees who participated in the strike, if agreed to, would roughly cost Rs. 6.15 crores per annum. Since advance increments were granted from 1-6-74 total financial implications for more than three years for grant of advance increments to those who participated in May '74 strike would come to more than Rs. 18.45 crores.

(5) In the discussions with the Labour, it has been represented to Government that the grant of the increment to the loyal staff has resulted in some seniors getting lesser pay and some juniors getting higher pay and that this should be set right either by granting an additional increment to those who went on strike in May '74 or by withdrawing the increment given to the loyal staff. Withdrawal of the increment already given will not be feasible as Government do not generally withdraw a concession once given as it would mean a retrograde step. The other alternative of giving an increment to the others has considerable repercussions as stated above.

(6) The issue with regard to the grant of an additional increment to the railway employees who went on strike in May, 1974 was recently considered at the highest level and it was decided that it would not be feasible to remove the disparity in wages created by the grant of advance increments to loyal staff.

Demand No. 2:

Bonus of one month's wages (8.33 per cent).

Comments:

The payment of Bonus Act, 1965 applies to all factories and certain other establishments but it statutorily excludes among others, any establishment engaged in any industry carried on by or under the authority of any Department of Central Government or a State Government or a local authority.

(2) In accordance with the commitment of the present Government, the Payment of Bonus Act, 1965 has been amended restoring the minimum bonus of 8.33 per cent of wages in the accounting year 1976 subject to the existing provisions in the Act, which empower the Government to protect the marginal and sick units and also restoring the position as it existed prior to amendments made during the emergency. The employees of the departmental undertakings of the Government including Railways, however, continue statutorily excluded from the purview of the Act.

(3) While Government announced its decision on 18-8-1977 to amend the Payment of Bonus Act, it was stated that the Government's intention was to formulate an integrated national policy of wages, incomes and prices so as to ensure growth and social justice and that all questions relating to wages including the rationale for a deferred wage and the concept of bonus unrelated to profits or productivity would be viewed afresh and reviewed in the light of the integrated policy that was expected to be formulated after study.

(4) Accordingly in October, 1977, the Government notified the appointment of a Study Group for a comprehensive study on wages, incomes and prices including an in-depth study of the pattern of emoluments in the organised sector as well as elsewhere under the Chairmanship of Shri S. Bhoothalingam, a former Secretary to the Government of India. The Study group submitted its report to Government of India in May, 1978.

(5) The question regarding payment of bonus to railway employees cannot be considered in isolation but in the context of Government's general approach to the problem of incomes, prices and wages including the bonus, which is still under consideration.

Demand No. 3(a).—Job evaluation for all railwaymen through scientific system to be followed by their reclassification, regradation with the need based minimum wage as the base for the lowest paid worker.

Demand No. 3(b).—Pending completion of job evaluation and reclassification, immediate parity of wages with those of workers in the Central undertakings.

Comments:

After careful examination of the demands of job evaluation from various unions, the Third Pay Commission had observed that

fair comparison with private sector or public sector cannot be accepted as a sound basis for fixing the level of wages of Central Government employees including Railwaymen. If there is to be a comparison with level of wages outside Government, it cannot be confined only to the organised private or public sector. Due regard has also to be paid to the prevailing level of wages in agricultural sector as well as in the employment in the States.

(2) As regards reclassification also, on considering the demands of various unions belonging to Railways and P. & T., the Third Pay Commission have observed as under:—

‘.....Similar demands were considered by the two previous Pay Commissions also and after detailed consideration they came to the conclusion that the distinction between semi-skilled, skilled and highly skilled should be continued. No fresh grounds have been adduced and we are of the opinion that the existing classification does not appear to call for any basic revision. We, however, feel that instead of classifying the categories by the levels of skill, it would be more satisfactory to classify them numerically (e.g. Grade I, II, III etc.)’

The above observations of the Third Pay Commission continue to hold good and no useful purpose is likely to be served by making any comparison either with private or public sector. In any case, these are matters affecting Central Government employees as a whole and no unilateral action can be taken by the Ministry of Railways in so far as the Railwaymen are concerned.

(3) Arising out of the negotiations with the Labour prior to May, 1974 strike, in which an understanding was arrived at for job evaluation within the framework of the Third Pay Commission's recommendations, Government have taken the following steps:—

- (i) A tribunal consisting of a Neutral Chairman with two Labour representatives nominated by two recognised Federations, and two official side members, has been set up to go into the reclassification of workshop staff.
- (ii) Regarding Open Line Staff, a Study Team is proposed to be trained in the Administrative Staff College, Secunderabad so that a Pilot Study could be conducted before taking up detailed job evaluation.

(4) As regards need-based minimum wage, this is linked with the question of wages, incomes and prices policy, and will be considered after the 'in-depth' study of these issues by the Boothalingam Study Group recently appointed by Government, is completed.

Demand No. 3(c).—Working hours of railwaymen be reduced to 8 hours per day.

Comments:

The hours of work, periods of rest and overtime rules of Railway servants are generally regulated in accordance with the provisions of Chapter VIA of the Indian Railways Act, 1890 and the rules and subsidiary instructions framed thereunder (commonly known as the Hours of Employment Regulations). These were improved upon as a result of acceptance of the recommendations of the Adjudicator, Hon'ble Mr. Justice G. S. Rajadhyakshya (who in 1948, adjudicated in the trade dispute between the then nine Indian Government Railway Administrations and their respective workers) and the Railway Labour Tribunal, 1969 presided over by Hon'ble Mr. Justice N. M. Miabhoj (who examined the demands of the National Federation of Indian Railwaymen on which no agreement could be reached in the permanent Negotiating Machinery meetings with the Railway Board).

(2) The Adjudicator, while examining the demand made before it by the All India Railwaymen's Federation, *inter alia*, for a uniform 42 hours week, observed that there was diversity of occupations, due to which the nature of the work involved varies considerably. In this connection, he quoted the example of Train Controller on a heavy section, who has to work in a state of constant mental tension, in recognition of which he is classified as 'intensive', at the other extreme are a few categories of staff such as Rest House Chowkidars, Saloon Attendants and Gate Keepers at unimportant level crossings whose work is so light, both in its nature and volume. Between these extremes comes the bulk of railway staff such as the majority of Station Masters, Asstt. Station Masters, Booking Clerks, Parcel Clerks, Ticket Collectors, Train Examiners, Sweepers, Watermen and other labour whose work is necessarily of a somewhat fitful character and is not carried on at anything like the same pressure as that of train controllers incharge of heavy Sections nor is it so light as that of Rest House Chowkidars, Saloon Attendants etc. These staff are, therefore, classified as 'Continuous'. Likewise, the quantum of work which the staff are called upon to do varies

from railway to railway, from main lines to branch lines and from junction stations to wayside stations. The Adjudicator specifically observed that these are only illustrations meant to show that having regard to the variety of the works involved in railway operation, it is not possible to entertain the plea for uniform working hours for all staff. Accordingly, he recommended that the employment of railway servants under the Hours of Employment Regulations should be classified under any of the following heads on the basis of the workload of the Staff as determined after a factual job analysis:—

Class	Weekly duty hours	
	Rostered	Statutory
<i>Intensive</i> (Strenuous nature of work involving continuous concentration with no periods of relaxation).	42—45	45
<i>Continuous</i> (work can proceed without forced periods of inaction)	51—52	54
<i>Essentially intermittent</i> (Duty hours include periods of inaction aggregating 6 hrs. or more)	72—75	75
<i>Excluded</i> (Certain supervisory staff, medical staff, school staff, confidential assistants etc.)	No limit prescribed	No limit prescribed

For work done in excess of the statutory limits shown above, overtime was payable at $1\frac{1}{2}$ times the ordinary rate.

(3) The acceptance of the recommendations of the Railway Labour Tribunal, 1969 with effect from 1-8-74 resulted in further liberalisation of the hours of work and rules of overtime allowance of Railway employees governed by the Hours of Employment Regulations. Accordingly, the standard hours of employment of intensive workers are now 42 hours per week and of Essentially intermittent and Continuous workers, 48 per week. To this can be added time required for doing preparatory and complementary work in case staff are required to do such work. Thus in the case of intensive and Continuous workers, their rostered hours will be 42 and 48 respectively if they do not have to do preparatory and complementary work and 45 and 51/54 hours respectively if they have to do such work. In the case of Essentially intermittent workers, additional hours upto 12 per week in certain cases and 24 per week in the case of others may be demanded. Thus, Essentially intermittent staff working at road side stations and provided with residential accommodation within 5 Kms from their place of work, the three categories of class IV employees hitherto treated as Excluded, viz. Gatemen 'C', Caretakers of Rest Houses, Reservoirs etc.

and Saloon Attendants, are to be rostered for 72 hours per week without preparatory and complementary work and upto 75 hours if they have preparatory and complementary work to do. Rest of the Essentially intermittent workers (including Bungalow Peons, hitherto treated as Excluded) are to be rostered for 60 hours per week without preparatory and complementary work and upto 64½ hours per week, if they have preparatory and complementary work to do. Overtime is payable beyond the rostered hours and upto the statutory limit at 1½ times the ordinary rate and 2 times the ordinary rate for work done beyond the statutory limit. Overtime is payable on a two-weekly/weekly basis only in the case of operating and running staff, shift workers and others whose work is bound up with the work of these three operations, while in the case of staff not covered by these four operations, overtime is payable beyond their daily rostered hours.

(4) In making the above recommendations, the Railway Labour Tribunal, 1969, had duly taken into consideration the demand of the National Federation of Indian Railwaymen that the working hours of Railwaymen should be uniformly reduced to 8 hours per day. The Tribunal examined the matter in great detail and then only made recommendations as explained in paragraph 3 above.

(5) In the circumstances explained above, the demand for uniform duty hours of 8 a day for all categories of railway staff working in different conditions irrespective of the work-load on them cannot be accepted.

Demand No. 4(a), (b) & (c):

4(a) Dearness allowance linked to the cost of living index with full neutralisation for every rise of 4 points in a six monthly period;

4(b) Cut in the rate of neutralisation affected during the emergency by bringing down the quantum of neutralisation from 4 per cent to 3½ per cent in case of those drawing salary upto rupees 300/- per month and from 3 per cent to 2½ per cent in case of others be restored retrospectively;

4(c) The impounded slab of Dearness Allowance be restored.

Comments:

The policy in the matter of grant of Dearness Allowance to Central Government employees, including Railway employees, is laid

down by the Ministry of Finance. After taking into account the recommendations made by the Third Pay Commission in this regard, the Ministry of Finance communicated decisions of Government in regard to the manner in which the payment of Dearness Allowance to Central Government employees should be regulated. According to these broad guidelines, Central Government employees in the pay range upto Rs. 300/- became entitled for a D.A. element of 4 per cent of pay (as against 3.5 per cent recommended by pay Commission subject to a minimum of Rs. 7/- per mensem and a maximum of Rs. 10/- per mensem) for every rise of 8 points in the All India Consumer Price Index Average (1960=100), while those in pay range of above Rs. 300/- were to get 3 per cent of pay subject to a minimum of Rs. 12/- and maximum of Rs. 27/- (against 2.5 per cent recommended by the Commission subject to a minimum of Rs. 10/- and maximum of Rs. 20/-) per mensem. Payment of Dearness Allowance on the above basis were regulated upto the time the average price index reached 272 points. Thereafter, for every 8 points, the Government reverted back to the formula recommended by the Pay Commission and payment of D.A. was regulated accordingly upto the time the average price index reached 312 points in March, 1975. Subsequently, when the price index came down below 304 points, Government withdrew one instalment of addl. D.A. *w.e.f.* 1-7-1976. This was restored *w.e.f.* 1-9-77 on the average price index crossing 312 points.

The demand of the AIRF that the Dearness Allowance should be linked with the cost of living index with full neutralisation for every rise of 4 points in a six monthly period, represents a substantial liberalisation over the recommendations of the Pay Commission which envisage change of D.A. for every rise of 8 points in the average price index in a 12-monthly period and a neutralisation of about 95 per cent on the lowest pay of Rs. 185/- p.m. and the neutralisation percentage goes on declining so that in respect of the employees drawing a pay of Rs. 1600/- p.m., it work out to about 31 per cent.

In so far as the restoration of the rate of Dearness Allowance in respect of period after the average price index crossed 272 points as referred to in the demand at item 4(b) is concerned, this was a deliberate decision of the Government.

In view of the above, it will be seen that this demand will have to be considered by the Ministry of Finance for Central Government employees as a whole and the Ministry of Railways are in no position to take any unilateral decision for their own employees.

In regard to the demand for restoration of the impounded slab of Dearness Allowance, as already stated above, this has been restored from 1-9-1977 as per orders of the Government.

Demand No. 5: All C.D.S. money be refunded.

Comments:

Under the Additional Emoluments (Compulsory Deposit) Act, 1974 enforced from 6th July, 1974, Additional Wages accrued from that date were impounded in full, repayable with interest due in five annual instalments. Similarly, 50 per cent of Additional Dearness Allowance due from 1-4-1974 was impounded from the wages of railway employees for a period of two years repayable with interest due in five annual instalments. The Act was amended in 1976 extending the period of recovery of 50 per cent of Additional Dearness Allowance for one year. This recovery was required to be credited to the Provident Fund Accounts of the employees without cash payment.

(2) After an Ordinance was promulgated in May, 1977, the compulsory deposit of Additional Dearness Allowance had ceased from 6th May, 1977. Accordingly no recovery from salaries for May 1977 paid to employees on 31st May/1st June, 1977 was made. Past recoveries towards compulsory deposits, if any, were also waived. Out of five annual instalments of the impounded wages or Dearness Allowance payable so far 4 instalments of Additional Wages and 3 instalments of impounded Additional Dearness Allowance have been paid to the employees concerned.

(3) According to the instructions issued by the Ministry of Finance, premature repayment of compulsory deposits has been allowed in the case of railway employees on grounds of extreme hardship i.e. on medical grounds and also to those who lost their property and belongings due to cyclone/floods in southern parts of the country and in Assam during the year 1977 and in various States during the year 1978.

(4) The Compulsory Deposit Act is administered by the Ministry of Finance and the instructions issued by them from time to time are adopted on Railways. No unilateral decision can be taken by the Ministry of Railways in the matter:

Demand No. 6.—Decasualisation of all casual railwaymen and their confirmation in services with all benefits.

Comments:

with organised labour and as a result of these discussions the following instructions were issued in June, 1974 to the Railways:

- (i) No casual labour will be employed in works of a regular nature such as those in workshops, loco sheds, train lighting establishments, carriage and wagon depots, yards and stations but exclude labour employed for loading and unloading. As regards Civil Engineering, Signal and Bridge maintenance, casual labour will not be employed except for seasonal and fluctuating works casual renewals and occasional renewals.
- (ii) A cadre revision will be carried out as early as possible at such of the specified locations mentioned above and if it is found that casual labour is being employed as a regular measure in any of such locations, additional posts as are found necessary should be created.
- (iii) At the specific locations mentioned above where casual labour are not to be employed till adequate number of staff are provided, substitutes on appropriate scales of pay may be engaged instead of casual labour on daily rates.

(2) Subsequently, in February 1978 the following further instructions have also been issued to the Railways:—

- (i) A committee of Additional HODs should be in charge of the cadre review which should in addition to the establishments mentioned in (i) above include the establishments of the Inspectors in the Civil Engg. and Signals and Bridge maintenance so that regular posts are created where casual labour sanctions have existed for 3 years or more;
- (ii) There should be a ban on the intake of fresh casual labour in open line by the Inspectors except in emergencies; and
- (iii) On projects the XEN should be the unit for retrenchment.

(3) The above instructions are being implemented by the Railways. Besides this, a new procedure for filling up Class IV posts from amongst casual labour/substitutes exclusively was introduced from December 1969 whereby casual labour/substitutes and temporary workmen whether employed on projects or otherwise who have completed four months continuous service are considered for panelment by screening Committees and not by Selection Boards

and almost all the Class IV vacancies on the Railways are now being filled on the basis of the above *ad hoc* screening procedure. As a result of these steps number of casual labourers/substitutes employed on the Indian Railways has come down from 4.68 lakhs in 1966 to 2.42 lakhs as on 31-12-1977.

(4) Although utmost consideration is given to casual labourers for absorbing them against regular posts but the Railways are handicapped by limited potential for absorption in regular cadres in relation to the large force of casual labourers—those currently on the rolls as well as those already discharged on completion of works—constantly asking for permanent absorption. It is not, therefore, feasible to confirm all the casual labour on the rolls in service on the Railways and bestow them with all the facilities enjoyed by regular railwaymen. It may, however, be stated that with the acceptance of the recommendations of the Miabhoj Tribunal casual labour on the open line after completion of a service of four months, are given temporary status which entitles them to almost all the benefits enjoyed by temporary railwaymen. Casual labour on the projects, however, after completion of a continuous service of six months get only scale rate of pay.

Demand No. 7.—Supply of adequate and subsidised foodgrains and other essential commodities through departmentally run shops.

Comments:

The problem of rising price is not peculiar to Railway Employees; on the other hand, it is a general problem being faced by the general public, including all sections of working class. Moreover, supply of foodgrains and other essential commodities to general public including the Railwaymen, is primarily the responsibility of the State Governments and fair price shops are set up in the country as part of a general public distribution system.

(2) Between 1942 and 1949, the Railways were running grain shops for supply of foodgrains and other essential commodities to Railway employees at subsidised rates. Apart from the serious losses and various malpractices that were noticed, the large scale of operation, the geographical spread of these units etc. presented innumerable difficulties in running the scheme. In view of the magnitude of losses incurred in the process of running these grain shops, the Grainshop Enquiry Committee (1948), which enquired into the matter, recommended the gradual closure of the shops and introducing of a network of Consumer Cooperative Stores among the Railwaymen with such concessions and facilities as may ensure

their orderly growth. In the circumstances, reverting to a scheme which was once tried and given up for valid reasons would not be prudent. In pursuance of the recommendations of the Grainshop Enquiry Committee, the railway employees are encouraged to set up and run Railwaymen's Consumer Cooperative Societies by extending them various facilities and concessions.

(3) In the context of the Railway strike of May 1974, one of the demands of the organised labour was for the supply of foodgrains to railway employees at subsidised rates through grainshops. During the course of discussions with the organised labour, it was agreed that arrangements will be made to open as many fair price shops as necessary so that all points on the Railways with a concentration of 300 and more staff are provided with fair price shops to ensure the availability of grains to railway staff on the same scale and rate as was made available by the State Governments to other citizens. Accordingly, the Railways were directed to initiate necessary action to increase the number of fair price shops wherever needed, in addition to these already run through the agencies of either the Railwaymen's Consumer Cooperative Societies or the State authorised dealers. As an inducement, it was decided to extend the following facilities to the Railwaymen's Consumer Cooperative Societies for opening of more fair price shops:—

- (i) Granting of interest bearing working capital loans at the rate of Rs. 10,000/- per fair price shop instead of Rs. 10,000/- for the Society as a whole, in addition to the matching share capital contribution of Rs. 2,500 and subsidy.
- (ii) Charging of token rent @ Re. 1/- per year for accommodation provided to Railwaymen's Consumer Cooperative Societies, wherever provided by the Railways, instead of Rs. 20/- per year; and
- (iii) Extending the concession referred to in item (ii) above, to fair price shops set up by the State authorised dealers also.

(4) As on 30-9-78, 375 fair price shops were run by Railwaymen's Consumer Cooperative Societies. In these fair price shops controlled commodities like wheat, rice, etc. are available at control rates, which are below the ruling open market rates. In addition, these articles are also available in large number of fair price shops run by State Authorised Dealers at control rates. Further, essential commodities like wheat, rice, sugar etc. of better quality are available in large quantity in open market at moderate rates because of good harvest during 1977-78.

Demand No. 8.—Employment of Railwaymen's children in Railway services.

Comments:

Employment assistance to sons/wards of railway employees is given on grounds of compassion only in the event of death or retirement due to incapacitation. It is not possible to offer employment to children of serving employees as such a proposal will infringe Constitutional provisions guaranteeing equality of opportunity.

Demand No. 9.—Formation of one Union in the Railway Industry.

Comments:

Following the Tripartite Labour Conference, held in May, 1977 a tripartite committee was set up by the Labour Ministry to make recommendations *inter-alia* regarding norms for the recognition of unions and *modus-operandi* for evolving 'one union in one Industry'. After considering the report of that Committee, Government had recently introduced the New Industrial Relations Bill in the Parliament.

Demand No. 10.—Restructuring of the Railway Management and placing the management of the Railways under the control of an independent corporation consisting of representatives of railway users, business community, railway labour and government, with the Railway Minister as its Chairman.

Comments:

The question of setting up a statutory corporation in place of the Railway Board has been gone into on earlier occasions and particularly by a High Level Committee such as the Administrative Reforms Committee. The advantages of placing the management under a Statutory Corporation have been spelt out in paras 7 and 8 of the Report of the Administrative Reforms Commission. Nevertheless, it is seen that the disadvantages arising out of accepting such a demand were found far more weighty than the advantages to such an extent that the Administrative Reforms Commission did not make any specific recommendation for a switch over. Reply given to Railway Convention Committee, 1973, on 'Organisational set-up and functions of the Railway Board' highlighting the disadvantages of placing the management under a Corporation is placed as Appendix VI.

(2) The Railway Board was constituted under a Resolution of Government of India dated 18-2-1905 and given statutory powers

under the Railway Board Act, 1905, read in conjunction with the Indian Railways Act, 1890. The present set-up has been evolved through the years into a management-cum-technical organisation. The Board, as at present constituted, consists of 5 members including the Chairman, who is *ex-officio* Principal Secretary to the Government and Financial Commissioner, who represents the Finance Ministry, The Financial Commission, and members are *ex-officio* Secretaries to Government. The Board is assisted by officers of the rank of Directors, Joint Directors, Deputy Directors, etc. The Railway Board functions both as a Ministry of the Government of India and as the top controlling and coordinating administrative and executive organisation for Indian Railways.

(3) As at present constituted, this central authority is a technical-cum-management organisation. The same authority functions as a Ministry of the Government also. This combination of technical and executive functions, along with the function of a Ministry in the Railway Board, is a result of evolution and experimentation of 120 years of Railway history in India. As a Ministry, this body co-ordinated with other Ministries of the Central Government and undertakes the functions of liaison with the Planning Commission, Union Public Service Commission, Central Vigilance Commission, etc. It formulates the policies and Plans for development. As the chief executive authority, the Railway Board watches the implementation of the plans as well as coordinates the working of the Railways, effects control, makes purchases wherever necessary for the Railways, lays down standards, uniform conditions of service for the staff etc. This combination of responsibility for planning and implementation as well as the feature of integrated finance, has been considered suitable for another commercial department of the Government of India, namely, the Posts and Telegraphs, which has been organised on the lines of the Railway Board.

(4) The Administrative Reforms Commission had gone into the question of administrative and financial arrangements for the Indian Railways. In their Report, the Commission has not recommended that the Railway Board should be constituted into an autonomous statutory corporation. They had only suggested redefining, on the one hand, of the relationship between the Railway Minister and the Railway Board, and, on the other, of the functions to be performed by the Railway and the zonal railways together with changes in their composition with special reference to the officer-structure. In fact, in their report on Posts and Telegraphs also, the Commission have not recommended that the Posts and Telegraphs Department should be converted into a Public Corporation. They have suggested

that the P&T Board should be re-organised in a manner analogous to the Railway Board and they have added—'we do not think that a corporation can do better than an autonomous Board. The establishment of a corporation is likely to result in increased expenditure on staff and salaries.'

(5) The basic suggestion in the point under consideration is vesting the management of the Railways under the control of an independent corporation consisting of representatives of Railway users, business community, railway labour and the government. That all the constituents suggested are already associated in the management of the Railways will be evident from the following. The Railways have Advisory Committee comprising railway users from almost all walks of life. At the apex, the Railways have got the National Railway Users' Consultative Council, Zonal Railway Users' Consultative Committee at zonal level, and Divisional Railway Users' Consultative Committee at the Divisional level. Besides, there are Railway Users' Amenities Committees, Time Table Committees, Suburban Railway Users' Committees. Representatives of State Governments, local MLAs and Railway Users' are included in the Zonal Advisory Committees and their views are taken into consideration in providing satisfactory service to the Community. In the National Railway Users' Consultative Council also, MPs from different regions, representatives of users etc. are associated and here again the demands of different regions are considered. Similarly, we have consultative Committees, central as well as zonal, consisting exclusively of Members of Parliament and the suggestions and opinions expressed by them in the meetings of these Committees are examined by the Government and action, as feasible, is taken to meet the demands of different regions. Thus, there is adequate machinery to keep in touch with the State Governments, local public, Railway Users, and other interests in order to develop and run the railways as a National Undertaking.

(6) As far Association of the staff, apart from adequate machinery existing on the railways for resolving staff grievances which functions at three tiers, viz. at the Divisional, Headquarters and the Board's level, the Corporate Enterprise Group at the level of the Ministry and the zonal level is another instrument available to Railway Labour to participate in the Management.

(7) Criticism of the Railway Board set-up has emanated on the one hand from those who would like the Railways to become a wholly independent corporation which they believe will lead to better efficiency due to less interference from political quarters and, on the other, from those who would like the Board to function completely as other Departments of the Government. As regards

the first criticism, it may be stated that the Railways have too important a place in our economy not only as the largest commercial undertaking but also as the major public utility constituent of the Transport Sector for it to be wholly independent in decision-making at the highest political level. As regards the second criticism, it may be stated that the top railway officials have the necessary techno-economic background and the appropriate managerial experience which enable them to take decisions quickly and without hesitation. As a commercial undertaking, the Railways have to be given at least the degree of autonomy that has accrued to them so far in establishment, commercial and financial matters through experimentation of the various alternatives over a period of years. The Secretariat of the Railway Board has also to be mainly staffed by top railway officials who, unlike their counterparts in the Administrative Services, have their fortunes tied up with the Railways since the beginning and who are not motivated only by career considerations. The set up is unique in character and is most well suited to run this large techno-economic enterprise. The record of the Railways in tackling the vast and diverse problems of this huge public concern has been quite noteworthy, specially during the difficult days following partition of the country and during period of stress at the time of the 1962, 1965 and 1971 conflicts. Thus the organisational set up as at present constituted, with the restructuring at the highest level by the abolition of the posts of Additional Members arising from the implementation of the recommendation of the Administrative Reforms Commission, should help to serve national interest better than a Corporation."

C. Observations of the Committee

3.6. The Committee note the factual position stated by the Ministry of Railways (Railway Board) on the various demands of Railwaymen contained in the petition.

3.7. The Committee would like to be informed from time to time of the measures taken by the Government for redressing the grievances of the Railway employees.

IV

PETITION NO. 8 REGARDING PROPOSED FERTILIZER AND PETRO-CHEMICAL COMPLEX ON THE COAST OF ALIBAG, DISTRICT KOLABA

4.1. Petition No. 8 signed by Shri D. N. Patil, President, 14 village Shetakri Bachav Andolan Samiti and others of Alibag, Distt. Kolaba regarding proposed Fertilizer and Petro-Chemical Complex on the coast of Alibag, Distt. Kolaba, was presented to Lok Sabha on the 23rd December, 1977, by Shri D. B. Patil, M.P.

A. Petitioners' Grievances and Prayer

4.2. In their petition, the petitioners stated as follows:—

“That the Fertilizer and Petro-Chemical project is certainly coming can be seen from the swift movements recently made by the establishment.

That the Government proposed to acquire nearly 2500 acres of fertile land comprised in 14 villages situated along the coast between Rewas and Thal. Population of these 14 villages is about 24,000. People are engaged mainly in producing rice, vegetables, cocoanuts, mangoes etc. Annual production in terms of rupees runs into several lakhs. Besides, there are huge poultries which cater to the needs of the people of Bombay, at a distance of only 20 kms.

That the Government should not allow to destroy all these healthy avocations carried on by the people since times immemorial. Are the people not to be heard; not to be consulted? The entire project, it is understood, will cost about Rs. 600 crores. Is it going to do any good to the local population? Would the project provide jobs to all and sundry?

That all the same, there can be no justification of any kind in setting up such a huge project to the detriment of the local population. People have already become scared on learning this, and it was manifest when a strong Morcha of 7000 farmers from 14 villages under leadership of Shri D. N. Patil, Ex-M.L.A. (Peasants & Workers Party) went to the Collectorate at Alibag to submit a memorandum in protest against the proposed acquisition of their pre-

cious lands. A delegation led by Shri Patil also met the State Chief Minister Mr. Vasant Rao Patil who promised to visit the site for a personal study.

That the farmers are in no mood to give up their lands. The wise men sitting in New Delhi have no idea what havoc the acquisition of these fertile lands situated on a picturesque and beautiful coast would play.

That to the poor people, a project envisaged by intellectuals would be impertinent. Where could they go when deprived of their lands? What about the innocent families and children?

That the most important question, however, which is being discussed is of pollution. It is difficult to describe the stark horror of the fate what will befall the local population and the people in South Bombay as well. Bombay is not far off from the proposed site of project. It is only 20 Kms. across the harbour. Hazards of pollution are well-known. Half of Bombay is experiencing them.

That besides affecting normal human life, the project will greatly affect the fishermen who form a major portion of the population in Alibag Taluka.

That the Press, which has always been in forefront in bringing to light the ill-effects of pollution, has also criticised the setting up of the said project. The editorial comment of the *Times of India* in its issue of 6th October, 1977 should not escape the notice of the authorities concerned.

That the petitioners also suggest an alternative proposal to the authorities whereby a vast tract of uncultivable land near the Rewas Port could be acquired for the project.

And accordingly, your humble petitioners pray that the Government should set up the project in the uncultivable land near Rewas Port as mentioned above."

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

4.3. The petition was referred to the Ministry of Petroleum, Chemicals and Fertilizers (Department of Chemicals and Fertilizers) for furnishing their factual comments thereon for consideration by the Committee. In their factual note dated the 17th May, 1978,

the Ministry of Petroleum, Chemicals and Fertilizers (Department of Chemicals and Fertilizers) have stated as follows:—

“As soon as it became established that sufficient gas would be available from the Bombay High/South Bassein structures, action was initiated to delineate a suitable project. After an examination of all relevant factors it was proposed that two plants each of capacity of 1350 tonnes per day ammonia and 1800 tonnes per day urea may be set up in the same location as a twin project. The Fertilizer Corporation of India Ltd. (now M/s. Rashtriya Chemicals and Fertilizers Ltd.) who were entrusted with the preliminary work connected with the proposed project formulated a feasibility study with the location suggested at Rewas near Mandwa Port. This location was suggested after consulting the State Government and other authorities. The Maharashtra Board for the Prevention and Control of Water Pollution had also studied the pollution aspects of the proposed fertilizer complex at Mandwa (Rewas) and their study confirmed that the proposed location would be acceptable from the pollution angle.

For the proposed project with suggested location at Rewas (Mandwa) it was estimated by the Fertilizer Corporation of India that a total area of 960 acres out of which about 680 acres in private land and 280 acres in Government land would be required. It was also estimated that the number of Khatedars likely to be affected by acquisition of the required land would be about 375. Thus it was seen that the location of the project at Rewas (Mandwa) would not result in acquisition of large tracts of paddy land or results in displacement of large numbers of small farmers.

As a matter of abundant caution it was, however, proposed that the final decision in regard to location of the project may be taken after a Task Force of the National Committee for Environmental Planning and Coordination (NCEPC) has examined the environmental impact of the proposed project at Rewas and certain other possible locations. The report of the Task Force of the NCEPC which has very recently been received has made the following recommendations:—

- (a) The Task Force is of the opinion that the sites at Cheneri and Usar are totally unsuitable for the location of a large-scale fertilizer plant;

(b) While the Rewas site has certain techno-economic advantages and the water pollution aspects can be made minimal if due precautionary methods are adopted; the air pollution situation, within the constraints of the data available, is of some concern during some parts of the year. A natural ecological balance exists in the profusely vegetated Alibag area. The Task Force has also noted that the community residing in Mandwa is self-sustaining and economically viable. Taking all the environmental facts into consideration, the Task Force does not recommend location of the plant in Rewas.

(c) Tarapur site is acceptable from all environmental impact aspects.

However, as Tarapur location is not acceptable to the Maharashtra Government it has been proposed to explore the feasibility of locating the proposed project at some other location. The Task Force of the NCEPC is examining the environmental impact of the proposed project on these alternative locations, the data in regard to which the State Government of Maharashtra, have promised to make available to the Task Force on a priority basis. A final decision in regard to the location of the proposed fertilizer project will be taken only after the supplementary recommendation of the Task Force of NCEPC is received."

44. The Committee on Petitions at their sitting held on the 27th June, 1978 considered the above matter and directed that the latest position and the final decision of the Government in regard to the location of the plant might be ascertained from the Department of Chemicals and Fertilizers for the consideration of the Committee. The Government might also be asked whether the affected persons would be given adequate compensation and alternative land and whether jobs would be provided to the eligible children of the affected persons. The Committee also desired that the Government while selecting the site for the proposed Fertilizer and Petro-Chemical Complex might earmark as far as possible unproductive lands for the project. The Committee also decided that the petitioners might be asked to state the number of farmers which would

4.5. Subsequently, Shri Kishore Lal, M.P., forwarded a representation dated the 2nd August, 1978, signed by S[Shri Shayam] Chainani and S. K. Das of Bombay Bachao Committee, Bombay.

In their representation, the petitioners stated as follows:—

“We are enclosing herewith a petition (See Appendix VII) which we would be grateful if it is considered by the Lok Sabha. This relates to the location of the proposed West Coast Fertilizer Plant (together with a complex of petro-chemical and other industries), at a site within the Bombay Metropolitan Region. Our earnest plea is that:—

- (a) The report on this subject of the National Committee for Environmental Planning and Coordination (NCEPC) be made public.
- (b) The NCEPC asked to look at fresh sites south of Bombay and well away from the Metropolitan Region. At this and subsequent investigations, we and other environmental groups should be allowed to be associated formally.
- (c) If (b) is not possible, then as a bare minimum the plant be located anywhere in the Konkan outside the Bombay Metropolitan Region. (If necessary it could be located in the vicinity of Thal-Vaishet, which would satisfy the State legislature resolution. This would involve a shift of only a few miles, but would establish the important principle that any fresh industries should be outside the Bombay Metropolitan Region).
- (d) The complex of ancillary industries, petro-chemical industries down-stream units etc., should be moved south into the backward areas of the Konkan into Ratnagiri or south Colaba districts. In any case no such units should come up within or in the vicinity of the Bombay Metropolitan Region.”

4.6. In their communication, dated the 27th September, 1978, the Ministry of Petroleum, Chemicals and Fertilizers (Department of Chemicals and Fertilizers) have stated as follows:—

- (i) Government, after studying the recommendations of the Task Force, appointed by the Department of Science and Technology and in consultation with the Government of Maharashtra, have finally approved Thal-Vaishet in

Colaba District as the location for the two large sized fertilizer plants based on gas from Bombay High. Government have also decided that the Petro-Chemical complex should not be located at Thal Vaishet but should be located as far south as possible.

- (ii) There is no proposal to provide alternative land but due compensation will be paid under the provisions of the Land Acquisition Act for the lands acquired for the project. It is the accepted policy of the public sector companies to give preference to the children of the oustees, who are adequately qualified, in recruitment of employees for the project. The project authorities have also been directed to impart training to the children of the oustees to up-grade their skills so as to make them qualified for the jobs. The number of persons from the oustees' families who can be finally considered for employment would depend on the availability of vacancies and statutory provisions regarding reservation for scheduled castes and scheduled tribes etc.
- (iii) Government have noted the desire of the committees that, while selecting the site of the project, un-productive land should be considered as far as possible. This point has been kept in view during the discussion of the project authorities with the State Government for selecting the land."

C. Observations of the Committee

4.7. The Committee note that the Government have finally approved Thal Vaishet in Kolaba District as the location for the two large sized fertilizer plants based on gas from Bombay High. Government have also decided that the Petro-Chemical Complex should not be located at Thal Vaishet but should be located as far south as possible. The Committee also note that as stated by Government, due compensation will be paid under the provisions of the Land Acquisition Act for the lands acquired for the project. The Project authorities have also been directed by Government to impart training to the children of the displaced persons to upgrade their skills so as to improve their qualifications for jobs in the project. The Government have also noted the desire of the Committee that while selecting the site of the project, un-productive land should be considered as far as possible. The Committee trust that this criterion will not be disregarded, unless there are compelling reasons for such deviation.

**PETITION NO. 16 REGARDING INCLUSION OF BHATARA
TRIBE OF KALAHANDI DISTRICT IN THE LIST OF SCHEDULED
TRIBES OF ORISSA**

A. Petitioners' Grievances and Prayer

5.1. Petition No. 8 signed by Shri D. N Patil, President, 14 village others regarding inclusion of Bhatara Tribe of Kalahandi District in the list of Scheduled Tribes of Orissa was presented to Lok Sabha on the 12th May, 1978, by Shri P. K. Deo, M.P.

5.2. In their petition (See Appendix VIII) the petitioners prayed that the "Bhataras" of Kalahandi District of Orissa be treated as "Bhattadas" as per entry 5 in the list of Scheduled Tribes of Orissa by an executive order even without amending the Scheduled Tribes Orders of 1956 and all the constitutional, statutory and other benefits and privileges granted to the Scheduled Tribes be extended to them.

5.3. The Committee on Petitions at their sitting held on the 27th June, 1978, considered the above petition. The Committee directed that in the first instance, the Ministry of Home Affairs might be asked to furnish their factual comments and the opinion of the State Government on the matter for consideration of the Committee.

5.4. In his letter dated the 4th August, 1978, addressed to the Chairman, Committee on Petitions, Shri P. K. Deo, M.P., stated as follows:—

"On 12th May, 1978, I presented to the Lok Sabha a petition signed by Shri Dambarudhar Pujhari and others pointing out the disabilities of the Bhataras of Kalahandi District in Orissa undergo as in the Scheduled Tribe list of Orissa under entry 5 they are mentioned as "Bhattada or dhattadas". Though in the Madhya Pradesh and Maharashtra they are entered in the Scheduled Tribes list as "Bhattaras", the deviation in pronunciation between 'R' and 'D' has made all the difference between the Bhattaras residing in Kalahandi District and those in adjoining Koraput District in the same State of Orissa. As Koraput was part of the erstwhile Madras Presidency, the Telegu Officers mispronounced the "Bhattara" tribe in Koraput as "Bhattada". Kalahandi District which was erstwhile Kalahandi

State became part of Orissa much later in 1948. So the benefits and privileges due to the Scheduled Tribes are denied to the Bhatras of Kalahandi District, even though their kith and kin in the adjoining Koraput District are enjoying, because of the phonetic difference.

I request you to kindly come to an early decision on merits of the petition and place your views before the Lok Sabha. I make this request because the Scheduled Castes and Scheduled Tribes Order (Amendment) Bill, 1978, is being referred to a Joint Select Committee when all corolary matters will be raised including the amendment, I have given pertaining to the petition and they are to submit report in the 1st week of the next Session. This is why this urgency”.

B. Comments of the Ministry of Home Affairs

5.5. The Ministry of Home Affairs, with whom the matter was taken up, in their factual note dated the 18th September, 1978, stated as follows:—

“The question of amending the list of Scheduled Castes and Scheduled Tribes as contained in the Constitution (Scheduled Castes) Order, 1950 and the Constitution (Scheduled Tribes) Order, 1950 (which include the list of Scheduled Castes and Scheduled Tribes of Orissa) has been referred to the Joint Committee of the two Houses of Parliament on the Scheduled Castes and Scheduled Tribes Orders (Amendment) Bill, 1978. The proposal regarding Bhatara community may, therefore, be placed before the Joint Committee for its consideration.

The above comments have been sent with the approval of the Minister of State in the Ministry of Home Affairs.”

C. Observation of the Committee

5.6. **The Committee considered the petition at their sitting held on the 21st December, 1978.**

The Committee decided that the petition be referred* to the Joint Committee on the Scheduled Castes and Scheduled Tribes Orders (Amendment) Bill, 1978 who were seized of the matter.

*The petition was referred to the Joint Committee on the Scheduled Castes and Scheduled Tribes Orders (Amendment) Bill, 1978, on the 27th December, 1978.

IV

PETITION NO. 21 REGARDING REHABILITATION OF BHAKRA DAM OUSTEES

6.1. Petition No. 21 signed by Shri Baldev S. Kuteehria, and others regarding rehabilitation of the Bhakra Dam oustees, was presented to Lok Sabha on the 31st August, 1978, by Shri Ranjit Singh, M.P.

A. *Petitioners' Grievances and Prayer*

6.2. In their petition (See Appendix IX), the petitioners stated *inter alia* as follows:—

“About 2180 families evacuated from Bhakra Dam reservoir area in districts Una and Bilaspur of the State of Himachal Pradesh were proposed to be resettled in Districts Hissar and Sirsa of the State of Haryana. Due to various difficulties only 730 families have so far been able to resettle in Haryana and most of these families too will be forced to leave their homes and hearths if the difficulties of these people are not looked into urgently. Scores of representations made in the past to the Chief Minister of the Bhakra Dam beneficiary States and the Union Energy Minister to look into the difficulties of these people have remained unheeded, presumably because every State wants to disown these hapless people.”

6.3. The petitioners prayed as follows:—

- “(i) Each family ousted from Bhakra Dam reservoir area may be allotted an economic and viable land holding of 10 acres;
- (ii) The land acquired from the oustees in the reservoir area may be re-evaluated on the basis of average price during the years 1952—57;
- (iii) The proprietary rights may be given to the oustees forthwith;
- (iv) The enhanced compensation payable to the land owners, from whom land was acquired for allotment to the oustees, may be borne by the Bhakra Dam beneficiary States and the Central Government; and
- (v) The Bhakra Dam oustees who have resettled in Haryana may be declared a backward class for a period of at least 10 years henceforward so that they may get special privileges for development.”

B. Comments of the Ministry of Energy (Department of Power)

6.4 The petition was referred to the Ministry of Energy (Department of Power) for furnishing their factual comments thereon for consideration by the Committee on Petitions. The Ministry of Energy (Department of Power) have furnished *vide* their not dated the 17th October, 1978, pointwise factual comments on the points raised in petition stating as follows—

*Points raised**Reply of Government*

(1) The Bhakra Dam oustees were given possession of land in Hissar and Sirsa Districts during 1957—59. Though a period of about 20 years has elapsed still the proprietary rights have not been given to the oustees. In the absence of proprietary rights, they denied developmental loans and other facilities.

Constitutional Position.—'Land' is a 'State'. vide Entry 18 of List II—'State List' of the seventh Schedule to the Constitution of India which reads: "land, i.e. to say, the rights in or over land, land tenures including the relation of landlord and tenant and the collection of rents, transfer and alienation of agricultural land; and improvement and agricultural loan, colonisation."

Background and History.—It has been stated by the applicants that the Bhakra Dam Ousteers from Distt. Kangra of the composite state of Punjab and District Bilaspur of the then Union Territory of Himachal Pradesh were proposed to be resettled in district Hissar of Composite State of Punjab, which now comprises districts Hissar and Sirsa of the State of Haryana.

Allegation.—It has been stated that the Bhakra Dam Ousteers were given possession of lands in Hissar and Sirsa district during 1957—59 but proprietary rights have still not been given to them although a period of 20 years has elapsed; thereby denying developmental loans and other facilities.

Comments.—Possession of land in Hissar and Sirsa Districts (now in Haryana State) was given to the Bhakra Dam Ousteers by the Govt. of erstwhile Punjab. The proprietary rights to be given by the State in whose territory the land is located. It was therefore for the Govt. of erstwhile Punjab (or the Successor State in whose territory land is actually located) to give them the proprietary rights. Once they are given the proprietary rights they would be entitled to incidental facilities like development loans etc. The State Government has already been requested to take prompt action in this matter.

(2) The land acquired from the oustees in Bhakra Dam area was evaluated on the basis of average price of land during 1942-47 whereas the land acquired in Hissar and Sirsa districts for allotment of them was evaluated on the basis of average price during 1952-57. There was steep rise in the prices of land from 1947 onward mainly due to influx of the refugees after partition. As a result of evaluation of land on the basis of average prices of different periods, the oustees got less compensation for the land acquired from them and had to pay more for the land allotted to them. Eventually it resulted in allotment of small pieces of land to the oustees (less than 5 acres in 75% cases from which it is not possible to earn livelihood.

Legal Position.—Land can only be acquired by the State Govt. in whose territory the land is actually situated (in accordance with the provisions laid in Part II of Land Acquisition Act, 1894) and the payment is also made by the concerned State Collector in accordance with the rules laid Part V of the Land Acquisition Act. The Act provides a recourse to Court of Law in case an oustee wants to challenge the amount of compensation awarded to him.

Allegation.—It has been stated by the applicants that while the compensation for land acquired from the Bhakra Dam Ousteas was evaluated on the basis of average price of land during 1942-47, the Compensation of land acquired in Hissar and Sirsa Distts. for allotment to them was evaluated on the basis of average price during 1952-57. It has been further mentioned that there was steep rise in price of land from 1947 onwards mainly due to influx of refugees, after partition. As a result, amount of compensation was more on the basis of average price in 1957. Thus the Bhakra Dam Ousteas got less compensation for land acquired from them and had to pay more for the land allotted to them. This resulted in oustees being allotted small pieces of land which are not economically viable.

Comments.—Normally amount of compensation for land is determined on the basis of market rates for the last five years. If a piece of land is acquired 10 years earlier, it would cost less than if the same piece of land is to be acquired 10 years later. But if these oustees were not satisfied with amount of compensation awarded about 30 years back they should have challenged it on the form envisaged in the Act (in court of law). In any case, this matter concerns the State Govt. and Centre can hardly interfere, as the subject is entirely in the State list. The allotments of land in the Hissar and Sirsa districts made over 20 years ago were accepted by them.

(3) The State Government has conceded the demand of land owner for the payment of enhanced compensation to them for the land acquired from them for allotment to Bhakra Dam Ousteas. The amount of enhanced compensation is about Rs. 2 lakhs in respect of village Ratta Tibba (Hazrawan Khurd) alone. The State Govt. has now asked the oustees to deposit the amount in question together with in-

It has been alleged that the State Govt. has conceded the demand of landowners of land acquired in Hissar and Sirsa Distts. for enhanced compensation by two lakhs of rupees in respect of village Ratta Tibba alone. The State Govt. has asked the Bhakra Dam Ousteas to deposit the amount in question together with the interest.

terest in the treasury. In this connection it may be submitted that it is not justified to charge the enhanced compensation from the oustees in view of the position stated in the preceding sub-paragraphs and the following factors :—

(a) Had the Govt. given the proprietary rights to the oustees immediately after giving the possessions of land to them it would not have been possible for the land owners to sue each oustees in the court of Law and claim this enhanced compensation after a period of 20 years. It appears that the conferment of the proprietary rights has been deliberately delayed with the mala fide intention of giving the land owners and opportunity to claim more compensation.

(b) At the time of acquisition of land of village Ratta Tibba (Hazrawan Khurd) during the years 1952—57 the land in question was 'Banjar'. Subsequently the land owners with the connivance of revenue authorities got the kind of land changed from 'Banjar' to 'Nehri' by tampering with the land records by the revenue officials has been established on the basis of departmental inquiry and police investigation.

(4) As the proprietary rights of the land allotted to the 'Bhakra Dam Oustees' are vested with the Govt. the oustees have been denied the developmental loans and other facilities advanced by the Govt. agencies to the farmers. Apart from this about 75% oustees have been given small pieces of land i.e., less than 5 acres from which it is difficult to earn livelihood. Due to these reasons the oustees have been bogged down in the morass of backwardness and they deserve special privileges to catch up with the other people of Haryana State.

(5) More than 70% Bhakra Dam oustees have been allotted less than 5 acres of land whereas each Pong Dam oustee has been allotted 16 acres of land. It is not understood why Bhakra Dam oustees have been singled out for step-motherly treatment when their sacrifice is in no way less than that of Pong

Normally the amount of compensation can be enhanced under the Land Acquisition Act by a Court of Law. If the award for enhancing the compensation of lands in Hissar and Sirsa dists. is on the basis of decree by Court of Law then there is hardly anything that can be done in this matter. In any case it is a matter entirely between the State Govt. and the oustees. The State Govt. can either subsidise or recovery the amount. If the Bhakra Dam Oustees have any points to represent about the recovery of additional amount by the State Govt. then they should approach the State Govt.

The main plank of the applicants is that had they been given ownership rights immediately after possession of the lands, when the land owners would have had to sue each oustees for enhancement of compensation which they perhaps were not entitled to do after a lapse of about 20 years.

They further allege that the category of land has been changed from 'Banjar' to 'Nehri' by tampering the land records with the connivance of the Revenue officials and have indicated that the matter is already being inquired into departmentally and the police are also investigating. It will thus be apparent that the allegations are against the action of the State Govt. It is a State matter for the State Govt. to deal with the Centre hardly comes in the picture. The State Govt. has already been requested to take appropriate action on this complaint.

The proprietary rights of the lands allotted in Hissar and Sirsa Districts to the Bhakra Dam oustees have to be given by the Government of Haryana and not by the Central Govt. If the units are not economically viable the matter can be taken up by the oustees with the State Govt. giving suggestions what is to be done. The Bhakra Oustees have suggested that they should be accorded special privileges to catch up with other people of Haryana State. This point is for the Govt. of Haryana to consider.

The main point made out is that the Bhakra oustees should also be given the same rehabilitation benefits as have been given to the Pong Dam oustees and one Murabhaba i.e., 15,625 acres of land should be given to each of the Bhakra Dam oustees. The quantum of land

Dam oustees. In many cases the land allotted to Bhakra Dam oustees for cultivation is a few Kanals or Marlas only. Unlike Himachal Pradesh there is dearth of natural resources in Haryana and everything like grass fodder, foodgrains, firewood, etc. are grown from the land. In view of the above facts it is submitted that the land holding of Bhakra Dam oustees should be brought at par with those of Pong Dam oustees.

to be allotted to the Bhakra oustees was decided by the appropriate authority a long time ago. It is not possible now to re-open the issue by equalling them within the Pong Dam oustees.

In view of the position stated above we request that :—

- (i) the enhanced compensation payable to the land owners may not be realised from the oustees ;
- (ii) proprietary rights may be given to the oustees immediately;
- (iii) The Bhakra Dam oustees in districts Hissar and Sirsa should be declared backward atleast for a period of ten years to ensure their speedy development ; and
- (iv) each oustee should be allotted at least 10 acres of land for cultivation purposes.

As mentioned above, the points are to be considered by the State Government. The Ministry has already requested the Govt. of Haryana to consider their grievances sympathetically and take appropriate action.

C. Recommendations of the Committee

6.5. The Committee note the factual position stated by the Ministry of Energy (Department of Power) on the various points raised in the petition. The Committee recommend that the Central Government may take up the question of granting of proprietary rights to the Bhakra Dam displaced persons with the State Government of Haryana. The Government may also consider the question of giving other economic facilities to the displaced persons like bank loans etc. in order to enable them to rehabilitate themselves properly and make their lands viable units.

6.6. The Committee also feel the need for setting up of a National Fund to be contributed by the beneficiaries of the Dam Projects in the country for the rehabilitation of the displaced persons. The Committee are further of the view that rehabilitation concessions should be given to the displaced persons in the matter of education, relaxation in age limit for employment, etc.

VII

PETITION NO. 22 REGARDING WORKING OF THE LIFE INSURANCE CORPORATION OF INDIA

7.1. Petition No. 22 signed by Shri Sudhir Anant Barwe and others regarding working of the Life Insurance Corporation of India was presented to Lok Sabha on the 28th November, 1978 by Shri R. K. Mhalgi, M.P.

A. Petitioners' Grievances and Prayer

7.2. In their petition, the petitioners have stated as follows:—

“The Life Insurance Corporation of India (LIC) came into being by virtue of LIC Act, 1956, when 154 Indian and 16 foreign assurance companies were nationalised. In the 22 years since then, the LIC has grown so fast, that, today its gross income is more than Rs. 3.5 crores a day, and as a result, it has been transformed into the biggest institutional investor, with a safe investment of more than Rs. 4,000 crores, i.e., almost 50 per cent of annual revenue accruals of Government of India. By virtue of the monopoly in the Life Insurance business, it has grown into a monolith with an annual income exceeding Rs. 1,000 crores.

The important objectives put forth at the time of nationalisation of insurance business were:—

- (a) Spread of message of Life Insurance as far and as wide as possible, reaching out beyond the more advanced urban areas, well into the hitherto neglected out needy rural areas.
- (b) Formulation of schemes of insurance to suit different sectors of community.
- (c) Effective mobilisation of peoples' savings.
- (d) Economic and attractive premium rates.

- (e) Investment of funds to secure maximum yield consistent with safety of capital.
- (f) Conducting of business with utmost economy in a spirit of trusteeship and with full realisation that the money belongs to the policy-holders.
- (g) Development of dynamic and vigorous organisation.
- (h) Complete security to policy-holders.
- (i) Prompt and efficient service to the policy holders.

However, in spite of the so called growth in the business the LIC has miserably failed to fulfil any of these objectives.

What are the reasons for this gross failure on the part of LIC?

According to them, the LIC could not fulfil any of these objectives, because, it did not try to fulfil two basic and important objectives namely:

- (1) Economic and attractive premium rates.
- (2) Investment of funds to earn maximum yield consistent with safety of capital.

Why LIC could not fulfil these two factors, upon which, the attainment of all other wider objectives depends? Simply because, LIC, the monopoly house in Life Insurance business after nationalisation, was always used as an instrument to extract maximum funds, at lowest interest, without any efforts. The Estimates Committee, the Public Undertakings Committee, the Administrative Reforms Commission Study Group, the Morarka Committee, all these Committees have recommended to the Government right from 1961 onwards, to reduce the premium rates, to rationalise the investment policy to formulate and promote special types of policies suitable for our rural population, etc. But the LIC, for the very reason stated above, preferred to turn a nelson's eye to all these.

As a result of this attitude, the LIC, even after 22 years of nationalisation, still serves and guards the interests of the tax paying class of urban population, leaving high and dry, the majority of the poor and low income group in urban areas and the vast population of rural India, which, in fact, needs insurance cover the most.

Thus the LIC has failed to reach the vast majority of poor and rural population, nor can it claim of having effectively mobilised the

savings of the people. The premium rates are far from economic, they are in fact so designed to bleed the insured white, before he dies, even LIC would not say, that, it has invested the funds to secure maximum yield. The LIC has never realised as it was supposed to, that the money belongs to the policy-holders, and as a result, the spirit of trusteeship, and economy in conduction of business are conspicuously absent.

We sincerely feel that the time has come to take some revolutionary steps so as to enable the LIC to fulfil the objectives put forth at the time of nationalisation.

The following are few suggestions, which if implemented will certainly help to attain the desired goals:—

- (1) Special types of policies suitable to the peculiar needs of the rural population should be devised, providing collection of premium at specified periods of the year and also collection of deposits in bumper crop years which could be set off against premia in lean years.
- (2) Premium rates should be substantially reduced, at least by 30 per cent taking into account the steadily declining mortality rate on one hand, and steadily increasing rate of interest earned on life fund, in spite of biased investment policy. In this connection, suitable action should be taken to ensure that the present policy-holders are not discriminated against, while reducing future premia rates.
- (3) The investment policy should be thoroughly changed and rationalised so as to earn maximum yield.
- (4) Bonus declared by LIC should be attractive enough to mobilise the savings of the people.
- (5) The bonus so declared should either be payable immediately or LIC should pay interest on that amount to the policy-holders, if it is to be paid on maturity.
- (6) Serious and systematic efforts should be made to reduce the expense ratio which by any standard is abnormally high.
- (7) Rules governing the sanction of loans against policies should be simplified and loans should be disbursed with speed.

- (8) Stringent time limits should be fixed and strictly adhered to as regards settlement of claims, complaints, and other grievances of policy-holders.
- (9) The current rules and tables, according to which lives are insured, are highly discriminating against female lives. These rules/tables should be suitably amended.
- (10) The premium structure, the investment policy should be periodically, at least at an interval of every 10 years, reviewed, and amended if necessary.

Accordingly, your petitioners pray that as no other remedy is open to them to press these suggestions, the Lok Sabha, through its Committee on Petitions may investigate into the matter, study the suggestions put forward, and if satisfied, recommend to the Government accordingly."

B. Comments of the Ministry of Finance (Department of Economic Affairs) (Insurance Division)

7.3. The petition was referred to the Ministry of Finance (Department of Economic Affairs) (Insurance Division) for furnishing their factual comments thereon for consideration by the Committee. The Ministry of Finance (Department of Economic Affairs) have *vide* their communication dated the 22nd January, 1979, furnished the factual comments (See Appendix X) stating *inter alia* as follows:—

"With the help of Group Term Insurance policies, under which the premiums are paid mainly by employers, the LIC is providing death cover to a large number of employed people at a very low cost. Prior to 1970, LIC was charging extra premium for persons engaged in hazardous occupations, many of whom belong to socially and economically backward classes. In 1970, LIC decided to waive the extra premium in all cases in which extra premium chargeable was upto Rs. 4/- per thousand sum assured.

* * * *

There has been an exponential growth in the first year's premium as well as total premium of the Corporation over the last 20 years. Since 1970, the LIC has reduced the premium rates under several without-profit plans but it has not effected any reduction in the with-profit premium

rates as surplus is passed on to policy holders in the form of bonus. Rates of bonus which in 1957 were Rs. 12.80 per thousand sum assured per annum for Endowment assurances and Rs. 16|- per thousand sum assured per annum for Whole Life assurances were increased to Rs. 20|- and Rs. 25|- respectively on the basis of the valuation as at March 1977. The LIC has recently set up a Committee of Actuaries to go into its premium rates structure and to make recommendations.

* * *

According to the statutory provision, 75 per cent or more of the annual accretion to the LIC's funds must be invested in Central and State Government securities and investments in socially oriented schemes. In selecting investments, the LIC is guided by consideration of earning maximum yield consistent with the safety of capital.

* * *

While it is true that the expenses of management have in recent years been on the high side, it may be mentioned that this situation is attributable, by and large, to the inflationary pressures. During recent years the LIC has taken a number of budgetary control measures to reduce expenses to the extent possible. These include a virtual ban on fresh recruitment and reduction in over-time to the barest minimum. It may be added that the control over expenditure is engaging the constant attention of the LIC.

* * *

As part of the endeavour to satisfy the various needs of the insuring public, the following new Plans of Assurance have been designed and introduced in the past:—

1. Convertible Term Assurance Plan
2. Mortgage Redemption Assurance Plan
3. Retirement Annuity Policy
4. The Centenary Policy
5. The Grihalakshmi Policy
6. The Money Back Policy
- 7 The Cash & Cover Policy
8. The Progressive Protection Policy.

The Centenary policy suits the needs of people with fluctuating incomes and thus satisfies the needs of the rural public. The Grihalakshmi Policy was introduced in 1975. The International Women's Year. The Grihalakshmi Policy was devised to provide security to the non-earning Indian housewife in her old age or on the loss of her husband. The Money Back Policy supplements the existing series of Anticipated Endowment assurance Plan. It is available for 4 terms—12 years, 15 years, 20 years and 25 years. In addition to providing cover against death, the policy also insures return of sum assured in instalments at regular intervals. The Cash and Cover Policy has been designed to provide in one policy the dual benefits of early return of policy proceeds and of adequate protection for the family. The Progressive Protection Policy has been designed to provide for automatic increases in Sum assured at fixed intervals at premium rates guaranteed in advance.

* * * *

The Corporation offers life insurance protection and retirement benefits under Group Schemes which are in the nature of employee benefit schemes.

* * * *

With the help of these schemes, LIC has been able to provide insurance protection and benefit of enhanced death gratuity to a large number of employees particularly those belonging to the weaker section of the society.

* * * *

The LIC has taken various steps to ensure efficient service to the policy-holders. These include decentralisation of servicing functions to branch levels, appointment of liaison officers at various divisions for rendering on the spot service to the policy-holders and arranging periodically Insurance Weeks celebrations.

* * * *

The Corporation has set forth targets for disposal of references from policy-holders pertaining to various transactions of policy servicing, viz. loan payments, revival actions claim payments, surrender payments etc.

* * * *

The Corporation has already set for itself the following objectives in the matter of settlement of claim:—

- (i) All maturity claims under 'In force' policies should be settled within one month of the date of maturity.
- (ii) In respect of maturity claims under paid-up policies, the settlement should be within a maximum time limit of three months.
- (iii) As regards death claims other than early claims, where investigation is not necessary, the claim should be paid within a maximum period of three months.
- (iv) In case of early claims where investigation is necessary the disposal should be ensured within a maximum period of six months.
- (v) No claim should remain outstanding for more than one year unless it involves legal matters or matters regarding Exchange Control.

While the Corporation has adopted the above-mentioned time schedules as the outside limits, its aim is to settle all maturity claims on or about the dates of maturity.

The performance of the Corporation indicates that it has attained a certain level of success but there is considerable scope for improvement. About 40 per cent of the maturity claims are settled on the maturity dates and another 20 per cent within 30 days of the dates of maturity. About 60 per cent of the death claims are paid within 90 days of intimation of dates of deaths. An analysis of the outstanding claims as on 31st March, 1978 shows that over 80 per cent of them were pending for want of requirements such as policy documents, discharge forms and claim forms from the policy-holders/claimants.

In case of complaints, the Corporation expects all its offices to normally dispose off the complaints within a period of 15 days. Rigorous follow up of the complaints has led to a substantial fall in the number of complaints as would be evident from the following table:—

Year	No. of complaints	Complaints per thousand policies in force
1975-76	16,189	0.94
1976-77	12,219	0.61
1977-78	7,818	0.38

* * * *

LIC charges extra premium to ladies without income on the ground that they fall in a category of persons with little need for insurance and not on grounds that they are female lives. This is justified on actuarial consideration. The practice followed by LIC does not constitute discrimination against female lives but constitutes classification of various categories of risk.

Premium rates are being reviewed from time to time. Similarly, the pattern of the LIC's investments is also being kept under review. It may be mentioned that the statutory provisions contained in Section 27A of the Insurance Act as applied to the LIC were modified in 1975 in consequence of one such review."

C. Observations of the Committee

7.4. The Committee note the factual position stated by the Ministry of Finance (Department of Economic Affairs—Insurance Division) on the various points raised by the petitioners in the petition.

7.5. The Committee feel that in order to inculcate the habit of saving among the people, they should be made aware of the schemes formulated by LIC from time to time, and to this end there should be regular periodical publicity in different languages through Radio and Television.

VIII

PETITION NO. 26 REGARDING DEMANDS OF STUDENTS

8.1. Shri Vijay Kumar Malhotra, M.P., presented to Lok Sabha on the 7th March, 1979, a petition (See Appendix XI) signed by Shri Bal Apte, President, and Mahesh Sharma, General Secretary, Akhil Bharatiya Vidyarthi Parishad, Bombay, and others regarding demands of students.

8.2. The Committee considered the petition at their sitting held on the 6th April, 1979.

8.3. **The Committee directed that the petition be circulated* in extenso to the Members of Lok Sabha under Rule 307 (1) of the Rules of Procedure and Conduct of Business in Lok Sabha.**

*The petition was circulated *in extenso* to all Members of Lok Sabha on the 9th April, 1979.

IX

PETITION NO. 27 REGARDING GRIEVANCES AND DEMANDS OF AGRICULTURAL WORKERS

9.1. Shri P. K. Kodiyan, M.P. presented to Lok Sabha on the 21st March, 1979, a petition (See Appendix XII) signed by Shri C. Yallamanda Reddy, President, Bhartiya Khet Mazdoor Union and others regarding grievances and demands of agricultural workers.

The petitioners prayed for implementation of land reforms, prevention of atrocities on Harijans, Adivasis, backward classes and landless agricultural workers, better wages, housing, guaranteed employment and enactment of Central legislation to safeguard the interests of agricultural workers on the lines of the Kerala Agricultural Workers Act, etc.

9.2. The Committee considered the petition at their sitting held on the 6th April, 1979.

9.3. The Committee directed that the petition be circulated* in extenso to the Members of Lok Sabha under Rule 307 (1) of the Rules of Procedure and Conduct of Business in Lok Sabha.

*The petition was circulated in *extenso* to all Members of Lok Sabha on the 9th April, 1979.

X

PETITION NO. 28. REGARDING INCREASE IN PRICES DUE TO BUDGET PROPOSALS

10.1. Shrimati Mohsina Kidwai, M.P., presented to Lok Sabha on the 22nd March, 1979, a petition (See Appendix XIII) signed by Shrimati Tajdar Babar, General Secretary, Delhi Pradesh Congress Committee (I) and others regarding increase in prices due to Budget proposals.

10.2. The Committee considered the petition at their sitting held on the 6th April, 1979.

10.3. **The Committee directed that the petition be circulated* in extenso to the Members of Lok Sabha under Rule 307 (1) of the Rules of Procedure and Conduct of Business in Lok Sabha.**

*The petition was circulated in extenso to all Members of Lok Sabha on the 9th April, 1979.

REPRESENTATION REGARDING DEMANDS OF RAILWAYMEN

11.1. Shri A. P. Sharma, M.P. (Rajya Sabha), President, National Federation of Indian Railwaymen, New Delhi, presented a representation to the Speaker, Lok Sabha, on the 29th November, 1977, on the above subject.

A. Petitioner's Demands

11.2. In the representation (See Appendix XIV) the National Federation of Indian Railwaymen, raised the following points:—

- (1) Bonus for Railwaymen;
- (2) Revision of Minimum Wage;
- (3) Dearness Allowance Formula—Need for a revision and Automatic Adjustment;
- (4) Merger of D.A. with pay;
- (5) Hours of Employment;
- (6) Employment of Railwaymen's children in Railway Services;
- (7) Price rise;
- (8) Payment for the period of absence in May 1974 strike;
- (9) Economy Measures|Retrenchment of Staff; and
- (10) Restructuring of Railway Board|Railway Administration.

(B) Comments of the Ministry of Railways (Railway Board)

11.3. The representation was referred to the Ministry of Railways (Railway Board) for furnishing their factual comments thereon for consideration by the Committee. In their factual note dated the 22nd January, 1979, the Ministry of Railways (Railway Board) have furnished their latest demand-wise factual position on the demands made in the representation as follows:—

“Demand No. 1—Bonus for Railwaymen

Comments:

The payment of Bonus Act, 1965 applies to all factories and certain other establishments but it statutorily excludes among others,

any establishment engaged in any industry carried on by or under the authority of any Department of Central Government or a State Government or a local authority.

(2) In accordance with the commitment of the present Government, the Payment of Bonus Act, 1965 has been amended restoring the minimum bonus of 8.33 per cent of wages in the accounting year 1976 subject to the existing provisions in the Act, which empower the Government to protect the marginal and sick units and also restoring the position as it existed prior to amendments made during the emergency. The employees of the departmental undertakings of the Government including Railways, however, continue statutorily excluded from the purview of the Act.

(3) While Government announced its decision on 18-8-1977 to amend the Payment of Bonus Act, it was stated that the Government's intention was to formulate an integrated national policy of wages, incomes and prices so as to ensure growth and social justice and that all questions relating to wages including the rationale for a deferred wage and the concept of bonus unrelated to profits or productivity would be viewed afresh and reviewed in the light of the integrated policy that was expected to be formulated after study.

(4) Accordingly, in October, 1977 the Government notified the appointment of a Study Group for a comprehensive study on wages, incomes and prices including an in-depth study of the pattern of emoluments in the organised section as well as elsewhere under the Chairmanship of Shri S. Bhoothalingam, a former Secretary to the Government of India. The Study Group submitted its Report to Government of India in May, 1978.

(5) The question regarding payment of bonus to railway employees cannot be considered in isolation but in the context of Government's general approach to the problem of incomes, prices and wages including the bonus, which is still under consideration.

Demand No. 2.—Revision of minimum wages.

Comments:

After careful examination of the demands of job evaluation from various unions, the Third Pay Commission had observed that fair comparison with private sector or public sector cannot be accepted as a sound basis for fixing the level of wages of Central Government employees including Railwaymen. If there is to be a comparison with level of wages outside Government, it cannot be confined

only to the organised private or public sector. Due regard has also to be paid to the prevailing level of wages in agricultural sector as well as in the employment in the States.

(2) As regards reclassification also, on considering the demands of various unions belonging to Railways and P&T, the Third Pay Commission has observed as under:—

‘5...Similar demands were considered by the two previous Pay Commissions also and after detailed consideration they came to the conclusion that the distinction between semi-skilled, skilled and highly skilled should be continued. No fresh grounds have been adduced and we are of the opinion that the existing classification does not appear to call for any basis revision. We, however, feel that instead of classifying the categories by the levels of skills, it would be more satisfactory to classify them numerically (e.g. Grade I, II, III etc.)’

The above observations of the Third Pay Commission continue to hold good and no useful purpose is likely to be served by making any comparison either with private or public sector. In any case, these are matters affecting Central Government employees as a whole and no unilateral action can be taken by the Ministry of Railways in so far as the Railwaymen are concerned.

(3) Arising out of the negotiations with the Labour prior to May 1974 strike, in which an understanding was arrived at for job evaluation within the framework of the Third Pay Commission's recommendations, Government have taken the following steps:—

- (i) A Tribunal consisting of a Neutral Chairman with two Labour representatives nominated by two recognised Federations, and two official side members, has been set up to go into the reclassification of workshop staff.
- (ii) Regarding open line staff, a Study Team is proposed to be trained in the Administrative Staff College, Secunderabad so that a Pilot Study could be conducted before taking up detailed job evaluation.

(4) As regards need-based minimum wage, this is linked with the question of wages, incomes and prices policy, and will be considered after the ‘indepth’ study of these issued by the Bhoothalingam Study Group recently appointed by Government, is completed.

Demand No. 3.—Dearness Allowance should be linked to the cost of living index with full neutralisation for every rise of 4 points in a six monthly period.

Comments:

The policy in the matter of grant of Dearness Allowance to Central Government employees, including Railway employees, is laid down by the Ministry of Finance. After taking into account the recommendations made by the Third Pay Commission in this regard, the Ministry of Finance communicated decisions of Government in regard to the manner in which the payment of Dearness Allowance to Central Government employees should be regulated. According to these broad guidelines, Central Government employees in the pay range upto Rs. 300/- became entitled for a D.A. element of 4 per cent of pay (as against 3.5 per cent recommended by Pay Commission) subject to a minimum of Rs. 7/- per mensem and a maximum of Rs. 10/- per mensem for every rise of 8 points in the All India Consumer Price Index Average (1969=100), while those in pay range of above Rs. 300/- were to get 3 per cent of pay subject to a minimum of Rs. 12/- and maximum of Rs. 27/- (against 2.5 per cent recommended by the Commission subject to a minimum of Rs. 10/- and maximum of Rs. 20/-) per mensem. Payments of Dearness Allowance on the above basis were regulated upto the time the average price index reached 272 points. Thereafter, for every 8 point increase in the average price index above 272 points, the Government reverted back to the formula recommended by the Pay Commission and payment of D.A. were regulated accordingly upto the time the average price index reached 312 points in March, 1975. Subsequently, when the price index came down below 304 points, Government withdrew one instalment of Additional D.A. *w.e.f.* 1-7-1976. This was restored *w.e.f.* 1-9-1977 on the average price index crossing 312 points.

The demand of the N.F.I.R. that the Dearness Allowance should be linked with the cost of living index with full neutralisation for every rise of 4 points in a six monthly period, represents a substantial liberalisation over the recommendations of the Pay Commission which envisage change of D.A. for every rise of 8 points in the average price index in a 12-monthly period and a neutralisation of about 95 per cent on the lowest pay of Rs. 185/- p.m. and the neutralisation percentage goes on declining so that in respect of the employees drawing a pay of Rs. 1600/- p.m. it works out to about 31 per cent.

In so far as the restoration of the rate of Dearness Allowance in respect of period after the average price index crossed 272 points is concerned, this was a deliberate decision of the Government.

In view of the above, it will be seen that this demand will have to be considered by the Ministry of Finance for Central Government employees as a whole and the Ministry of Railways are in no position to take any unilateral decision for their own employees.

In regard to the demand for restoration of the impounded slab of Dearness Allowance, as already stated above, this has been restored from 1-9-1977 as per orders of the Government.

Demand No. 4.—Merger of Dearness Allowance with pay.—Demand of the Organised Labour is to merge Dearness Allowance with pay for all purposes at least at the level of 12 monthly average of 272 points of the cost of living index.

Comments:

The payment of Dearness Allowance to Central Government employees (including Railway employees) is regulated according to the guidelines issued by the Ministry of Finance from time to time. Accordingly, one instalment of Dearness Allowance on every 8-point rise in the index was granted and so far 16 instalments of Dearness Allowance have been granted till the index number reached 328 points in January, 1978.

The question of merger of Dearness Allowance with pay with specific reference to quantum of Dearness Allowance to be treated as pay was last discussed in the National Council when a formal disagreement was recorded, consequently the issue has been referred to the Board of Arbitration. The Award of the Board of Arbitration is awaited.

Demand No. 5.—Hours of Employment—

- Implementation of Miabhoy Tribunal Award.
- Preparatory and Complementary work.
- Need to amend the Indian Railways Act.
- Averaging the Hours of Employment.

Comments:

The Railway Labour Tribunal, 1969, presided over by Hon'ble Mr. Justice N. M. Miabhoy, retired Chief Justice of Gujarat High Court, reviewed the existing provisions of the Hours of Employment

Regulations. The Tribunal examined in detail the provisions contained in the Regulations and made a number of recommendations for revision of the existing provisions. In pursuance of the Government's decision for acceptance of the Tribunal's recommendations *in toto*, basic directives were issued during the year 1974 followed by detailed instructions issued during the years 1975 and 1976, and these are being implemented with retrospective effect from 1-8-74.

(2) There have been detailed discussions on these recommendations with the General Secretary, National Federation of Indian Railwaymen, on several occasions. The Federation have not brought out specific points on which the Ministry of Railways have not issued orders and in what respects the orders already issued distract the recommendations of the Tribunal. Except complaining in a general manner, the Federation have not pointed out specific points of complaint.

(3) In this connection, it may be stated that the recommendations of the Railway Labour Tribunal, 1969 are being implemented by this Ministry not only in letter but also in spirit. Detailed instructions have already been issued regarding the methodology of job-analysis. Draft rosters incorporating the concepts introduced by the Tribunal have also been made out. Preparatory and complementary time is being given only when necessary and strictly in accordance with the recommendations of the Tribunal. This too is based on factual job-analysis in representative cases. Out of 12.5 lakh employees governed by the Hours of Employment Regulations only 4.5 lakhs are required to do preparatory and complementary work.

(4) The following demands have been made by the National Federation of Indian Railwaymen:—

- (1) The recommendations of the RLT '69 which have been accepted *in toto*, should be implemented in letter and spirit.
- (2) All unilateral orders issued contrary to the recommendations of the Tribunal should be withdrawn.
- (3) All the orders which in effect have nullified the effect of the recommendations made by the Tribunal, should be withdrawn.
- (4) Steps should be taken to implement in letter and spirit the various recommendations which remain unimplemented.

- (5) The period involved in the Preparatory and Complementary work should be paid for.
- (6) The Indian Railways Act should be amended bringing down the statutory limits of hours of work.
- (7) In respect of employees belonging to all categories who have been classified as Intensive and Continuous and except all those who are already covered by daily averaging, the period of averaging for purposes of payment of overtime, etc. should be accepted as one week.

Comments of this Ministry on the specific demands made by the National Federation of Indian Railwaymen are given below serially:—

Demand No. (1)

As already stated, the recommendations of the Railway Labour Tribunal, 1969 are being implemented in letter and spirit.

Demand Nos. (2) and (3)

The Federation have not brought out specific points on which the instructions issued by this Ministry are contrary to and nullify the effects of the Tribunal's recommendations.

Demand No. (4)

As stated above, the Ministry of Railways have already issued necessary orders to the Railway Administrations for implementing the recommendations of the Railway Labour Tribunal. They have also accorded sanction to the creation of over 13,000 additional posts required for implementing these orders. The Railways have already filled more than 50 per cent of these posts. The remaining posts will be filled up after going through the formalities of recruitment, training etc. As considerable spade work, such as conducting job analysis to determine the time taken in preparatory and complementary work, determining the additional hours of 'Essentially Intermittent' workers, revising the rosters, posting of additional staff etc. has got to be done, there is bound to be delay in fully implementing the recommendations; however the delay will not go against the staff getting overtime for extra work put in by them as these recommendations take effect retrospectively from 1-8-1974.

Demand No. (5)

The Railway Labour Tribunal has recommended that ordinarily for Railway workers, the limits of hours of work should be fixed on the principle of 8 hours a day and 48 hours a week and that additional hours of work may also be prescribed for persons employed

in **Essentially Intermittent** work. In regard to those categories of workers for whom preparatory and/or complementary work was necessary, additional hours should be fixed. The grievance of the National Federation of Indian Railwaymen before the Tribunal was that certain categories of Railway servants could not perform their duties unless they came some time before rostered hours and/or left some time after such hours and that such early arrival and/or late departure are inbuilt in the work entrusted to them. The Federation's other grievance was that these periods of time were not treated as periods of duty. The periods claimed for taking over and handing over varied from category to category from 15 Mts. to 45 minutes. The Tribunal considered that if the time required for the purpose was 15 minutes or more when Railway workers should be called upon to do preparatory and/or complementary work up to a certain limit, the question became of vital importance because:

- (i) overlapping rosters would have to be prepared for such workers; and
- (ii) though the time spent up to a certain limit would not be regarded overtime, service for such additional period would be one of the elements which would have to be borne in mind when fixing the pay scales.

The Tribunal recommended that necessary additional hours for preparatory and/or complementary work could be added to the different standard hours prescribed for 'Intensive', 'continuous' and 'Essentially Intermittent' workers, provided the statutory limits of employment, viz. 45, 54 and 75 hours per week respectively, were not exceeded. The Tribunal also recommended payment of overtime for work done by an employee beyond the rostered hours and up to the statutory limits at $1\frac{1}{2}$ times the ordinary rate of pay and at twice the ordinary rate for work done beyond the statutory limit. The Tribunal did not recommend any overtime payment to staff in whose case additional hours were added to their roster for preparatory and/or complementary work viz. it must be of such a character that it is necessary to be carried on outside the normal hours of work.

As regards the observation made by the Tribunal that service for such additional period would be one of the elements which would have to be borne in mind when fixing their pay scales. it may be stated that in para 16, Chapter 61 of their Report the Third Pay Commission made the following Observations:—

'In any case we do not know of any such system, namely, of compensating longer working hours by higher remunera-

tion, either in the public or the private sector. The scales of pay are determined on the basis of worth of charge taking into account all relevant factors including working hours. We would, therefore, not favour the approach of linking differences in the hours of work to the scale of remuneration as that would tend to disturb unduly the structure of emoluments devised for these employees.'

The time spent by staff in making over and taking over charge wherever necessary was added to the duty roster even under the Hours of Employment Regulations which were in force prior to the implementation of the Railway Labour Tribunal's recommendations w.e.f. 1-8-1974. While recommending addition of the time spent towards preparatory and/or complementary work in the roster without extra payment of overtime, the Tribunal had given due consideration to the provisions made in the relevant I.L.O. Convention although these were not applicable to the Indian Railways. Acceptance of the Federation's demand would involve regular overtime payment and would go against the recommendations of the Tribunal as also the Third Pay Commission.

However, the matter has recently been referred to a Committee of the Departmental Council of the Joint Consultative Machinery for consideration.

Demand No. (6)

The issue regarding the need for amending Chapter VIA of the Indian Railways Act, 1890 was examined and it was decided, in consultation with the Legal Adviser, that there was no need to amend the said Act as the Tribunal's concepts can be implemented without any such amendment.

In pursuance of M.R.'s statement in Parliament that he would hold discussion with the representatives of organisations of Labour on the problems of railway employees, a meeting was held with the National Federation of Indian Railwaymen on 12-10-77 wherein the Federation brought three points for discussion on the subject, *viz.*,

1. Amendment of Indian Railways Act.
2. Averaging should be done on weekly basis wherever it was fortnightly.
3. Extra staff for implementing the recommendations of the Railway Labour Tribunal, 1969.

The Minister for Railways informed the Federation *inter alia* that the question of amending the Indian Railways Act was already

under process and their views will be taken into consideration before amendments are finally introduced in Parliament. Further steps will be taken in the matter after all the additional posts sanctioned for implementing the recommendations of the Tribunal have been filled.

Demand No. (7):

The Railway Labour Tribunal, who examined the Hours of Employment Regulations, considered the Federation's demand for doing away with the system of averaging of the hours of work in regard to non-running staff and observed that the averaging enabled the employer to adjust the weekly hours in such a way that he may have sufficient elbow room to distribute the weekly hours of work to suit his needs. In fixing the averaging period the important considerations that have to be borne in mind *inter alia* are social, domestic and civic obligations, health and efficiency of workers. According to the Tribunal, there was no evidence on record to show that any of these important considerations would be negated if the existing practice in regard to the averaging period, viz., one week for 'Essentially Intermittent' workers and two weeks for 'Intensive' and 'Continuous' workers, is maintained.

The Tribunal recommended that the principle of averaging was warranted in railway working in regard to (i) the running staff; (ii) operating staff; (iii) shift workers; and (iv) those workers whose work was bound up with the work of workers comprised in the above three categories. Others will not be governed by the principle of averaging and will be eligible to overtime on a daily basis. Keeping in view the recommendations made by the Tribunal, the Ministry of Railways have instructed the railways that the staff belonging to the following broad groups should be governed by the non-averaging principle for purposes of, overtime payment:

- (a) Office Clerks and Class IV staff in Headquarters, Divisional and District sub-offices (excluding stations and sheds).
- (b) Gang staff of the Civil Engineering Department.
- (c) Works staff of the Civil Engineering Department.
- (d) Staff governed by the Hours of Employment Regulations attached to Workshops and Production Units.
- (e) Staff belonging to the Stores Department excepting Store Van Clerks.

Thus in these cases the staff concerned are eligible for payment of overtime when they are required to work beyond their daily rostered duty hours.

The Tribunal further recommended that the averaging period for 'Intensive' and 'Continuous' classified workers should be fixed at two weeks and for 'Essentially Intermittent' workers, at one week. The Tribunal also recommended that when the Railway employees have to be employed beyond their rostered hours including time spent on preparatory and/or complementary work, wherever necessary, and up to the statutory limit, as applicable to them, should be paid overtime at 1½ times the ordinary rate and that when they have to be employed beyond the statutory limit, overtime payment should be made at twice the ordinary rate.

The Tribunal also considered that the practice of averaging the hours of employment on a two weekly basis in respect of staff classified as 'Intensive' and 'Continuous' and over a weekly basis of the hours of work of the 'Essentially Intermittent' classified staff was more in favour of the workers when compared with the provisions contained in the I.L.O. Convention of 1919 is also the practice prevailing in certain foreign railway systems.

In view of this the demand of the Federation that the averaging of the hours of the above staff for purposes of payment of overtime under the extent rules should be one week cannot be accepted.

(5) As the Tribunal's recommendations have been accepted *in toto* the above recommendations have been implemented as such and there appears to be no need to deviate from them. The Minister for Railways, in the meeting held on 12-10-77, informed the Federation that the existing orders conform to the recommendations of the Tribunal. However, he assured that the Federations' demand will be given due consideration.

(6) Apart from this, in February, 1976, the General Secretary National Federation of Indian Railwaymen made a reference to the Member staff, Railway Board, complaining about improper implementation of the recommendations of the Tribunal and demanding a detailed discussion on the subject. He was informed by the then Member Staff that the matter regarding implementation of the Railway Labour Tribunal's recommendations was discussed between him and the Railway Board in great detail and that the implementation was being carried out in accordance with the spirit of discussion. The Railways were implementing the Award expeditiously and additional staff had also been appointed for the assessment of preparatory and complementary time. The Federation were told that if a further discussion was to be held, this Ministry would be prepared to hold the same between a small team representing the National Federation of Indian Railwaymen and the Railway Board

towards the end of March 1976 or in early April 1976 and requested the Federation to send a gist of the points on which the discussions were to centre. They were reminded on 17-7-76 to send the gist latest by 31-7-76 but nothing has been heard from them so far. Thereafter, in the discussions in the Permanent Negotiating Machinery meetings held with the representatives of the National Federation of Indian Railwaymen on 24-8-76 and 16/17-5-78 and with the Minister for Railways in February 1978, their attention was invited to this. The then Additional Member, Staff, also wrote a D.O. letter to the General Secretary of the Federation on the same subject on 31-12-77.

Demand No. 6.—Employment of Railwaymen's children in Railway services.

Comments:

Employment assistance to sons/wards of railway employees is given on grounds of compassion only in the event of the employees death or retirement due to incapacitation. It is not possible to offer employment to children of serving employees as such a proposal will infringe Constitutional provision guaranteeing equality of opportunity.

Demand No. 7—Price Rise . . .

The NFIR feels greatly concerned at the alarming price rise. The concern is all the more on account of the pronounced rise in the price of pulses, edible oils, onions, tea, vegetables, fuel and other essential articles of daily consumption by the lower and middle class workers. Continuous rise in prices and a hopelessly inadequate D.A. Formula have lowered the standard of living of the employees and created enormous economic hardships. The NRIR hence demands:

- (1) The rise in prices of pulses, edible oils, onions, tea, vegetables, and other essential articles of daily consumption by the poor and middle class should be immediately arrested and brought down to the reasonable level.
- (2) The Government should take stern measures to arrest the price rise and control the factors leading to the price rise.

- (3) As a lasting remedy to meet with the situation of high and continuously rising prices, subsidised grain shops should be established.

Comments:

The problem of rising price is not peculiar to Railway Employees; on the other hand, it is a general problem being faced by the general public, including all sections of working class. Moreover, supply of foodgrains and other essential commodities to general public including the Railwaymen, is primarily the responsibility of the State Governments and fair price shops are set up in the country as part of a general public distribution system.

(2) Between 1942 and 1949, the Railways were running grain shops for supply of foodgrains and other essential commodities to Railway employees at subsidised rates. Apart from the serious losses and various malpractices that were noticed, the large scale of operation, the geographical spread of these units etc. presented innumerable difficulties in running the scheme. In view of the magnitude of losses incurred in the process of running these grain shops, the Grainshop Enquiry Committee (1948), which enquired into the matter, recommended the gradual closure of the shops and introducing of a network of Consumer Cooperative Stores among the Railwaymen with such concessions and facilities as may ensure their orderly growth. In the circumstances, reverting to a scheme which was once tried and given up for valid reasons would not be prudent. In pursuance of the recommendations of the Grainshop Enquiry Committee, the railway employees are encouraged to set up and run Railwaymen's Consumer Cooperative Societies by extending them various facilities and concessions.

(3) In the context of the Railway strike of May 1974, one of the demands of the organised labour was for the supply of foodgrains to railway employees at subsidised rates through grainshops. During the course of discussions with the organised labour, it was agreed that arrangements will be made to open as many fair price shops as necessary so that all points on the Railways with a concentration of 300 and more staff are provided with fair price shops to ensure the availability of grains to railway staff on the same scale and rate as was made available by the State Governments to other citizens. Accordingly, the Railways were directed to initiate necessary action to increase the number of fair price shops wherever needed, in addition to those already run through the agencies of either the Railwaymen's Consumer Cooperative Societies or the

State authorised dealers. As an inducement, it was decided to extend the following facilities to the Railwaymen's Consumer Co-operative Societies for opening of more fair price shops:

- (i) Granting of interest bearing working capital loans at the rate of Rs. 10,000|- per fair price shop instead of Rs. 10,000|- for the Society as a whole, in addition to the matching share capital contribution of Rs. 2,500|- and subsidy;
- (ii) Charging of token rent @ Re. 1|- per year for accommodation provided to Railwaymen's Consumer Co-operative Societies wherever provided by the Railways instead of Rs. 20|- per year; and
- (iii) Extending the concession referred to in item (ii) above, to fair price shops set up by the State authorised dealers also.

(4) As on 30-9-1978, 375 fair price shops were run by Railwaymen's Consumer Co-operative Societies. In these fair price shops controlled commodities like wheat, rice, etc. are available at control rates, which are below the ruling open market rates. In addition, these articles are also available in large number of fair price shops run by State Authorised Dealers at control rates. Further, essential commodities like wheat, rice, sugar etc. of better quality are available in large quantity in open market at moderate rates because of good harvest during 1977-78.

Demand No. 8—Payment for the period of absence in May 1974 strike.

Comments:

In accordance with the standing practice, the break caused by the strike was initially condoned and continuity of service restored, the period of strike itself not counting for any purpose. Subsequently, however, instructions have been issued in March, 1978 that the period of absence should be treated as leave due or as leave without pay where no full pay or half pay leave is due; in all cases, the period will count for increment.

Demand No. 9—Economy measures|Retrenchment of staff.

Comments:

There has been no retrenchment of staff on account of implementation of Government's economy orders.

Even though a complete ban on creation of posts was imposed, the ban has not been made applicable to creation of operational

posts, posts for technical staff required for maintenance of assets created during Fifth Plan. The ban has also been relaxed in the case of posts required for running new train services. Posts of TTEs, Coach Attendants, Booking Clerks and Typists for reservation offices can be created as required.

Recently the Ministry of Railways have also accorded sanction to the creation of more than 10,000 posts on the Zonal Railways for implementing the recommendations of the Railway Labour Tribunal 1969 on Hours of Employment Regulations. This will cover the requirements of rest givers and avoid regular overtime payment. Similarly a number of posts for running staff have been sanctioned on various railways for full implementation of the 10 hour duty.

The difficulty is however in regard to creation of ministerial posts except for those directly connected with establishment of new projects, which attracts the ban. Such posts can be created only by offering matching surrenders. Where matching surrenders are not possible, the Railways are free to approach to Board with sufficient justification. If the requirements are inescapable, the proposals are sanctioned with the concurrence of the Financial Commission Railways to whom powers for creation of posts required for field offices have been delegated.

However, as a result of representations a study is being undertaken by the Directorate of Efficiency Bureau to determine the exact strength required in Personnel and Accounts Departments of Railways on the basis of accepted norms. Pending a final report of the study, Ministry of Railways have already agreed to the increase of staff strength in the personnel and accounts to certain extent in specified fields.

Demand No. 10—Restructuring of Railway Board/Railway Administration.

See reply under Demand No. 10 in para 3.4 of this Report."

C. Observations of the Committee

11.4. The Committee note the factual position stated by the Ministry of Railways (Railway Board) on the various demands of Railwaymen contained in the representation.

11.5: The Committee would like to be informed from time to time of the measures taken by the Government for redressing the grievances of the Railway employees.

NEW DELHI;

Dated the 4th May, 1979.

H. V. KAMATH,
Chairman,

APPENDIX I

(See para 2.1 of the Report)

[Petition No. 1 regarding conduct of ex-Chief Minister, certain Ministers and Government officials of Andhra Pradesh]

LOK SABHA

Petition No. 1

(Presented to Lok Sabha on 7-4-1977)

To

LOK SABHA
NEW DELHI

The humble petition of Shri Konda Lakshman Bapuji and twenty-one other members of Andhra Pradesh Legislature regarding various misdeeds, acts of favouritism, nepotism and misuse of power for selfish ends or otherwise and other corrupt practices of Shri Vengala Rao and some of the Members of his Council of Ministers as well as Administrators of Government and Corporate Bodies.

SHEWETH

1. Food Zones and Millers Levy:

Originally the State of Andhra Pradesh was divided into zones for purposes of movement of foodgrains. But Shri Vengala Rao, the Chief Minister, in collusion with his near relative, Shri Dharma Rao, President of West Godavary District Millers Association, entered into a shady 10 section and removed the zonal system and declared free movement of foodgrains throughout the State as one zone, thus enabling the smuggling of huge quantities of rice into neighbouring States. This resulted in spurt in prices, short fall in supply within the State. By this process, enormous profits were made, by the vested interests. The public raised a hue and cry on account of abnormal rise in prices and short supply, Shri Vengala Rao was compelled to reimpose the scrapped zonal system once again.

In collusion with the said Shri Dharma Rao and other Millers, the millers levy was reduced from 75 per cent to 50 per cent in the year 1976. The reduction of the percentage of levy was done with the sole object of benefit in the miller and serving the selfish end of the Chief Minister.

By these two deals, several lakhs of rupees filled the coffers of the Chief Minister.

2. Sale of Fertilizers:

Prior to 1975, the sale of fertilizers was regulated wholly through permits issued on the basis of genuine requirements of agriculturists. The associations of fertilizer dealers, headed by one, Shri Vishuvaradhana Rao Vijaywada made arrangements with the Chief Minister, Shri Vengala Rao and struck a deal of about one crore of Rupees with him for decontrolling the sale of fertilizers. The free sale scheme came in handy for the trade to make enormous profit at the cost of farmers.

3. World Telgu Conference:

The World Telgu Conference was conducted by the State Government during 1975. Entire official machinery was extensively used and lakhs of rupees were collected. The State Government spent very huge amount, besides this, a popous show was put up by the Chief Minister for self-aggrandisement and glorification. There have been open allegations of misappropriation of money and materials. Despite protests from several quarters including the legislators, factual position had not been explained till now. This is a scandal involving the Chief Minister and the Education Minister.

4. False claims of T.A. & D.A. & Transport charges:

Shri Bhattam Shriramamurti on his appointment as Minister, without undertaking travel by car and transporting his luggage etc. in lorries from his native place to Hyderabad claimed falsely and appropriated T.A. & D.A. and Transport Charges by producing false certificates etc. In spite of these facts of forgery and cheating being brought to the notice of Chief Minister, no action has been taken.

5. Misuse of Power by Handloom Minister:

The Handloom Minister, Shri K. V. Kesavulu, committed several acts of misuse of power by way of misusing funds and property of the weavers co-operative and textile development corporation etc. Specific cases in this regard were brought to the notice of the Chief Minister, but he did not take any action in respect of such malpractices. The Chief Minister himself was also involved in the same. On the misuse of powers and misappropriation etc. a memorandum dated 27-5-1976 was already submitted jointly to the then Prime Minister of India on behalf of Andhra Handloom Weavers Congress and Telangana Handloom Weavers Congress Organisation.

A copy of the said memorandum was submitted to the Chief Minister, but neither of them took any action. On the other hand, the Chief Minister and the Ministers resorted to revengeful methods.

6. Land Ceiling Exemptions:

There are several specific instances when the Chief Minister and/or Revenue Minister relaxed the provisions of land ceiling Act in cases of individual big landlords with ulterior moto thereby defeating the very purpose of the Act. Specific cases were brought to the notice of the former Prime Minister on which no action was initiated.

7. Misuse of Power:

When multiplication of seed scheme was under the national seed corporation, there has been fair distribution of seed growing units in the State. But on getting World Bank assistance or so when A.P. State Seed Corporation was promoted the Chief Minister, Agricultural Minister and Power Minister managed by exercise of undue influence to get the seed growing scheme confined to their respective districts, namely, Khammam, Karime Nagar and Nizamabad in Telengana Region. Besides the cotton seed (varalaxmi variety) production was taken up under intensive scheme with favouritism in granting the scheme to the Chief Minister District and that to his son.

8. Malpractices in the State Electricity Board:

Hyderabad Vanaspati Factory and Adoni Vanaspati Factory indulged in pilferage of power which were detected. The dues to the Electricity Board were worked out to more than one crore of rupees at Adoni and Rupee sixty lakhs in Hyderabad. According to rule, power connection was not to be restored until at least one half of the amount is paid. But, contrary to rule, power connection was restored to these two industries after collecting a nominal amount from them. This was done under the express instructions of the Chairman of Andhra State Electricity Board, Shri Tata Rao, with ulterior moto acting to further the personal interest of the Chief Minister.

The Chief Minister Shri Vengala Rao, his son and other relatives on one side and Veera Machineneni Gopal Rao etc. group on the other side have mutual interest in several dealings. The said Veera Machineneni Suva Rao who belongs to the same caste as the Chairman of APSEB was awarded numerous contracts even though the tendered rates were far higher than others who quoted lower rates.

Similarly, in purchases made by APSEB, lowest tenders were casualties. All purchases of stores and materials were made at higher rates and the intentions are obvious.

In the Vijaywada Thermal Station, a tender quoted at 11 per cent excess over estimated was rejected and the tender of Veera Machinenenini Suva Rao which was 30 per cent above the estimate rates was accepted. The Superintending Engineer Shri Rahamatulla Khan who refused to recommend the higher tender was transferred and another Shri Sunku Reddy was posted there to protect the interest of the higher tenderer and in the process the personal interest of Chairman APSEB and the Chief Minister were duly protected.

9. Singreni Collieries as personal Estate:

In Singreni Collieries the Managing Director, Shri B. N. Raman, who is well known for behaving as an agent of Shri Vengala Rao, Chief Minister ordered for the purchase of 108 New Ambassador Cars and out of these 15 vehicles were given to the Chief Minister for Election purposes in Khamam District where the Chief Minister's brother was the candidate for Lok Sabha.

A helipad was constructed by the collieries authorities and 125 gates erected in connection with the visit of Shri Sanjay Gandhi to Kothagudem.

Food for twenty thousand people was arranged.

10. Sanjay Gandhi's Visit:

Ignoring the rules of protocol and even decency and dignity, the Chief Minister extended a Royal Welcome to Shri Sanjay Gandhi. The entire official machinery of the Government and quasi-government establishments were utilised for according tumultuous welcome. His visit to Guntur was made memorable. Reputed film dancers and artists were kept in attendance for the pleasure of Sanjay Gandhi. Besides, spending huge amounts of the Government, lakhs of Rupees forcibly collected from people for spending in connection with Shri Sanjay Gandhi's visit. No proper accounts were maintained in this regard. Shri Chebrolu Hanumaha has openly claimed that he got Ministership and achieved his long felt desire of becoming a Minister as a reward for this.

11. Colour Film:

A colour film titled "Memorable Moments" depicting the movements of Shri Sanjay Gandhi during his visit to Kothagudem was

produced by the Film Development Corporation at a cost of about Rupees Sixty thousand.

12. Other profitable ventures:

(a) At Tirumallai Hills, the TDD canteen which was being run by Shri Devasthanam was closed and it was leased out for a song. This again went to Veera Machineni Group. Tenders were not invited. The private management making huge profits.

(b) About three hundred acres of land in Karnataka was acquired as a joint enterprise by the said Veera Machineni Gopal Rao and the Chief Minister's son. Varalakshmi variety of cotton has been grown. Shri Gopal Rao financed the project thus creating an up-keeping the vested interest of the Chief Minister.

(c) In Sarisailam Project, advances ranging from 30 to 40 lakhs of Rupees were given to a contracting firm at Calcutta and this deal is set to cover the personal interest of the Chief Minister.

(d) Vistas Batteries, Nellore, is owned by a well known Film Star Vanisree. She has been stated to be on very close terms with the Chief Minister. The Road Traffic Corporation was made to place an order for purchase of 27 lakhs worth of these varieties of battery from this firm ignoring all rules and procedures in regard to purchases.

13. Subsidy to Industries:

Government issued orders in 1971 that industries started in backward areas would be given 10 per cent of capital investment as incentive subsidy subject to a maximum of five lakhs. About 10 industries located in the "Subsidy Tracts" received the subsidy at 10 per cent. In 1973 the scheme was modified by allowing 15 per cent towards the subsidy subject to a maximum of Rs. 15 lakhs. The 10 industries which received the subsidy under the 1971 scheme applied for the benefit of the latter 1973 scheme to be applied to them. The Department and concerned Ministers were emphatic in their views that there was no case to consider the request. Even so the Chief Minister thought it fit to over rule the official note and also the Minister's minute, and ordered the extension of benefit of the 1973 scheme to the industries which already received the subsidy under the 1971 scheme. As regards the motives involved, here the less said, the better.

14. Misuse of MISA:

• MISA was used as a ruthless weapon to harass political opponents and exploit the Economic Offenders. The Economic Offenders were

arrested under MISA and were later released, while political detenues continued under detention.

One Prakash Agrawal of Kothagudem, involved in gold smuggling was also released. Bhoomaih was yet another case in instance. One Raja Reddy of Cuddapah, involved in a murder case was arrested under MISA and released. Poshani Sambasiva Rao of Guntur is yet another case. These questionable releases are said to have in order against huge illegal gratification to the Chief Minister.

15. Assets:

Upto 1970, Shri Vengala Rao was living in a thatched house, and it was said that his whole property was not worth more than Rs. 50,000.00. As of now, he has the following assets, acquired during a period of six years:—

1. A two storey bungalow fully air conditioned in Bayyagudem (Khammam Distt.).
2. The place of Raja of Bobbili at Hyderabad worth a few lakhs of Rupees though shown as having been purchased for Rs. 40,000.00.
3. Another modern two storey building now used by him as his official residence at Hyderabad costing in lakhs of rupees.
4. Gold and Silver in the shape of ornaments and other things, besides other costlier articles worth a large amount.

These acquisitions are clearly beyond the known sources of income over a six year period.

The Chief Minister's brother Shri Kondala Rao, apart from other valuable things owned a two storey building at Khammam worth about Rs. 2 lakhs.

16. Rigging Elections and malpractices:

There have been several instances to show that number of ballot papers were found in a single fold ballot boxes. Several of the ballot papers were not containing the signatures of the concerned Polling Officer; reports were received that some ballot papers were not having any signature of the Polling Officers. There is reliable information that extra ballot papers were got printed by the Chief Minister and in a very planned manner rigging was arranged in connection with the recent Parliament Election. Besides the Chief Minister supplied lakhs of Rupees to Congress candidates and workers and also arranged for bribing the voters and their con-

vassors. The Chief Minister and the other Ministers have not only misused their ministerial position but also utilised the services of government and quasi-government establishments for the purpose of Congress election campaign.

17. PLANTING FAVOURITES IN PIVOTAL POSITION

Shri Vengala Rao planted his own men in certain important pivotal position with the object of securing under-gains to himself.

(a) Shri Gopala Rao, the hereditary trustee of Annavaram Temple was found guilty of grave charges of corruption and misappropriation to a tune of Rs. 30 lakhs. He was kept under suspension. The enquiry officer recommended that he should be removed from the post. This hereditary belong to the same caste of the Chief Minister. The Chief Minister has special interest in him. Therefore, the Government ignored the recommendation of the Enquiry Officer and re-instated him as the hereditary trustee again.

(b) Shri Jagpati Rao was the President of A. P. State Marketing Federation. His term expired, elections were not held. There is a report that huge amount were misappropriated in the State Marketing Federation and also in the Karim Nagar District Marketing Society during the stewardship when cooperative bodies were brought under the management of person-in-charge, Shri Jagpati Rao was made person-in-charge of the Federation despite the fact that he was facing several allegations of misappropriation, breach of trust and other irregularities. On the top of it, the Chief Minister got him nominated as the General Secretary of the *Ad Hoc* Pradesh Congress Committee and made him one of his trusted lieutenant.

(c) Shri Kamaluddin was the Chairman of the Andhra Pradesh Road Transport Corporation at the verge of the expiry of his term, while giving hopes to him of reappointment, Shri Vengala Rao secretly worked out to give lift to his community man Shri Narsingh and at the fag end of the term of the officer of Shri Kamaluddin, appointed Narsingh Rao as the Chairman of APSOTC to the bewilderment of everyone.

(d) The Chief Minister for his own selfish ends appointed Shri Tata Rao, a retired Chief Engineer on abnormal and unprecedented terms and conditions as the Chairman of the A.P. Electricity Board.

6. Sri Laxmi Reddy, IAS

In spite of wild allegations of corruption etc., against him, he was promoted although severe criticism was made on the floor of the Legislature. Ultimately, he was removed or compulsorily retired from the service as per the order of the Central Government.

These are only illustrative examples of favouritism and nepotism of the Chief Minister.

19. PARTIALITY IN WEDDING OUT PROGRAMME

The voluntary retirement scheme is a typical example of the ways in which the CM managed to spread his projective umbrella to the guilty officials while, at the same time punishing innocent officers merely because they were not in his good books.

Mr. Narayan Rao who was facing serious charges of corruption etc., and on whom appropriate punishment was imminent was deliberately saved by the premature retirement scheme. In the same manner, in regard to Shri Gopal Rao, Dy. Commissioner of Excise who was about to be compulsorily retired from service, voluntary retirement was allowed with a view to save him from a bad name. These two officials belong to the Chief Minister community.

20. Sri Paga Pullareddy, MLA, from Gadwal in Telangana. He acted as Guardian and advocated for the sons of Godwal Rani during the course of which he fabricated documents, forged them, obtained loans and misappropriated the amount running into thousands of rupees. The wards after attaining majority found out the fraud and gave a police report against him for forgery, cheating, misappropriation and breach of trust. The Police investigated the matter and filed a charge sheet against him in Magistrate court, Alamopore. Charges also were framed against him. At that stage the Chief Minister interfered and got the case withdrawn. The son filed a revision against that order and got it quashed. When the trial was started again the Chief Minister again got an application filed by the police for withdrawal of the case against Sri Pullareddy. This time the Magistrate refused to give permission. Strangely the State went in revision and the matter is pending in the High Court. This clearly shows abuse of powers and favouritism and shielding of offenders by the Chief Minister to protect Sri Pullareddy, who is now the Secretary of Congress Legislature Party. This matter was investigated by both the

State and Central CID and the entire information is available with them.

21. Misuse of emergency, in our State about 6,700 were thrown out of jobs during the emergency, most of them are honest people. New persons were recruited by a show of interviews, the District Collector purported to have interviewed, 1,000 persons per day. When it was pointed out that the Central Government is restoring persons to jobs as a policy the Chief Minister has stated that he has nothing to do with that policy as he removed State Government employees.

We have endeavoured to present above a few among the more important and glaring instances of misuse of authority by the Chief Minister and some other members of the Council of Ministers. We request that all the above cases may kindly be got thoroughly enquired into for taking necessary action. And your petitioners as in duty bound shall ever pray.

Sl. No.	Name of petitioner(s)	Address	Signature or thumb impression.
1	Konda Lakshman Bapuji, M.L.A.	Secretariat Road, Hyderabad— 500004.	Sd/-.
	and 21 other members of Andhra Pradesh Legislature.		

Countersigned by:
Jyotirmoy Bosu,
M.P.

APPENDIX II

(See Para 2.3 of the Report)

[Ministry of Home Affairs Notification S.O. No. 360(E) dated the 19-5-1977 containing the terms of reference of the Vimadalal Commission of Inquiry published in the Gazette of India Extraordinary, Part II-Section 3 dated 19-5-1977.]

MINISTRY OF HOME AFFAIRS

(Department of Personnel and Administrative Reforms)

NOTIFICATION

New Delhi, the 19th May, 1977

S.O. 360(E).—Whereas the Central Government is of opinion that it is necessary to appoint a Commission of Inquiry for the purpose of making an inquiry into a definite matter of public importance hereinafter specified;

Now, therefore, in exercise of the powers conferred by section 3 of the Commissions of Inquiry Act, 1952 (60 of 1952), the Central Government hereby appoints a Commission of Inquiry consisting of a single member, namely, Shri J. R. Vimadalal, a retired Judge of the Andhra Pradesh High Court.

2. The terms of reference of the Commission shall be as follows:—

- (a) to inquire into the allegations contained in the Memorandum dated 6-4-1977 received from some members of the Andhra Pradesh State Legislature, a copy of which is annexed to this notification;
- (b) to inquire into any irregularity, impropriety, or contravention of law on the part of any person in relation to any matter referred to in the allegations aforesaid;
- (c) to inquire into any other matter which arises from, or is connected with or incidental to or, any act, omission or transaction referred to in the allegations aforesaid.

3. The headquarters of the Commission will be at Hyderabad.

4. The Commission will complete its inquiries and report to the Central Government on or before the 1st day of December, 1977.

5. And whereas the Central Government is of opinion, having regard to the nature of the inquiry to be made by the Commission and other circumstances of the case, that all the provisions of sub-section (2), sub-section (3), sub-section (4) and sub-section (5) of section 5 of the Commissions of Inquiry Act, 1952 (60 of 1952), should be made applicable to the Commission, the Central Government hereby directs, in exercise of the powers conferred by sub-section (1) of the said section 5, that all the provisions of the said sub-sections (2), (3), (4) and (5) of that section shall apply to the Commission.

APPENDIX III

(See para 2.5 of the Report)

[MEMORANDUM OF ACTION TAKEN ON THE FIRST REPORT OF THE VIMADALAL COMMISSION OF INQUIRY SET UP ON THE 19TH MAY, 1977, UNDER THE COMMISSIONS OF INQUIRY ACT, 1952, TO INQUIRY INTO ALLEGATIONS AGAINST THE FORMER CHIEF MINISTER AND OTHER MINISTERS OF ANDHRA PRADESH]

The Vimadalal Commission of Inquiry has submitted its First Report dated the 31st May, 1978, which covers, out of the 21 allegations referred to it, 3 allegations being item Nos. 9 (paragraphs 2 & 3), 10 and 11, of the Annexure to the Notification No. S.O. 360(E), dated the 19th May, 1977, inquiry into which has been completed. The Report has been remitted to the Government of Andhra Pradesh for taking necessary follow-up action according to law in the light of the findings of the Commission contained therein.

APPENDIX IV

(See para 2.6 of the Report)

[MEMORANDUM OF ACTION TAKEN ON THE SECOND AND FINAL REPORT OF THE COMMISSION OF INQUIRY HEADED BY SHRI J. R. VIMADALAL, A RETIRED JUDGE OF ANDHRA PRADESH HIGH COURT, SET UP ON THE 19TH MAY, 1977, UNDER THE COMMISSIONS OF INQUIRY ACT, 1952, TO INQUIRE INTO ALLEGATIONS AGAINST THE FORMER CHIEF MINISTER AND OTHER MINISTERS OF ANDHRA PRADESH]

The Vimadalal Commission of Inquiry has submitted its Second and Final Report dated the 26th October, 1978, which covers all the allegations referred to it, excepting those covered by its First Report. None of the allegations covered by the Final Report has been held established by the Commission. Government has accepted the findings of the Commission. The Report has been remitted to the Government of Andhra Pradesh for their record and any follow-up action that may be required on the findings of the Commission contained therein.

APPENDIX V

[Petition No. 5 regarding demands of Railwaymen]

LOK SABHA

PETITION NO. 5

(Presented to Lok Sabha on 7.12.1977)

To

LOK SABHA,
NEW DELHI.

The humble petition of Shri J. P. Chaubey, General Secretary, All India Railwaymen's Federation (AIRF), 4, State Entry Road, New Delhi-110055.

SHEWETH

1. That the A.I.R.F. is the oldest and most representative organisation of the Railwaymen.

2. That the Railwaymen work round the clock in most difficult and trying conditions, facing all sorts of inclement weather.

3. That the railwaymen are industrial employees and are governed by the provisions of the Industrial Disputes Act.

4. That although they have nothing in common with the civil servants yet they are bracketted with the civil servants, working in the Central Secretariat of Government of India. To be precise, it may be stated that group 'D' employees of the Railways such as Khallasis, Station Porters, Shunting Porters, Safety Porters, etc. whose duties not only involve hazards and technicalities but also risk of their own lives in addition to other difficulties to which an employee working away from cities and cut off from all sorts of social and civic amenities of life are subjected have been treated at par and bracketted with a peon of the Central Secretariat working in Delhi in matters of service conditions and pay scales.

5. That although the railwaymen are industrial employees, they have been denied parity in wages and bonus with the industrial employees working in public sector industries, like Hindustan Steel, Hindustan Antibiotics, Hindustan Machine Tools, Bharat Heavy Electricals, etc.

6. That the railwaymen have been and are very much exercised on the deliberate discrimination which has been made against them in the matter of wages and payment of bonus between them and the workers of the organised public sector industrial undertakings.

7. That on failing to get justice on their legitimate demands through bilateral negotiations the railwaymen had to resort to direct industrial action thrice during the last 30 years of Congress Rule and on each occasion the A.I.R.F. was assured that on withdrawal of the strike the dispute would be resolved by negotiations. But all were in vain.

8. That the A.I.R.F. and the Railwaymen are also very much concerned with the existing total bureaucratisation of the railway administration which frequently came in for serious criticism and held responsible for mismanagement by many members of the Parliament for over a decade. The existing set up of the management was created by the Britishers for their own benefits and with the sole object of perpetuating their rule in India through subjugation. Therefore, there is an immediate need for overhauling the system of management in keeping with the need of the day and the railways should be managed by an independent corporation wherein the interest of the users, industry, government and the railway labour should be represented. In the opinion of the A.I.R.F. only such an institution can inspire the confidence of the people and run the railways efficiently as a commercial undertaking keeping the social need of the country in view.

9. That in the year 1973-74 there had been complete breakdown of whatever machinery there was for negotiations to deal with the industrial relations and to settle the grievances and disputes which resulted in 20 days' indefinite general strike of the railwaymen in May, 1974. Even after this strike action the negotiating or dispute settling machineries have not been improved at any level.

10. That with a view to seek the redress of the railwaymen's grievances and to have scientific wage structure for them and also to remove all other disparities and handicaps the then President of A.I.R.F. Shri George Fernandes submitted a 'Six-point Charter of Demands' to the Chairman Railway Board under AIRF's letter No. AIRF/3 (880) dated 8-11-1973 wherein it was demanded that pending job evaluation and reclassification immediate parity in wages with those of workers in the central undertakings, payment of dearness allowance linked to the cost of living index for every rise of 4 points in a six-month period, Bonus at the rate of one month's wages (8.33 per cent) decasualisation of labour and their confirmation in service, supply of adequate and subsidised foodgrains and other essential com-

modities through departmentally run shops, reduction of working hours to 8 hours per day, and withdrawal of victimisation, should be conceded to.

11. That in the aforesaid letter of the AIRF Shri George Fernandes had observed in the penultimate paragraph, "I wish to emphasise here that our Federation is keen to arrive at a negotiated settlement on all these demands and thereby avoid a general strike by railwaymen."

12. That the AIRF made all possible attempts to seek a negotiated settlement but the negotiations were scuttled by the then government by preemptive arrests of trade union workers and leaders including Comrade George Fernandes and others who had been negotiating with the Railway Minister. It is well known and an established fact that the then government deliberately precipitated the railwaymen's strike for political reasons and used all inhuman, dictatorial, nefarious and barbaric methods to break the peaceful strike of railwaymen.

13. That during the strike 41,468 permanent, temporary substitutes/casual labour were dismissed/removed/discharged from service. Thousands of employees also faced prosecution. Some are still facing prosecution which have not yet been withdrawn. This massive victimisation of railwaymen was followed by the declaration of internal emergency by the then government in June, 1975. The excesses committed during emergency on the opposition parties and independent trade union organisations are well known. The railwaymen were also not spared. Thousands of railwaymen were either dismissed or compulsorily retired or become victim of various penal actions including arrests under MISA.

14. That the railwaymen who fought the dictatorial powers during May, 1974 strike and again during 20 months' dark period of emergency, made no less contribution in ushering a new era and in ending the 30 years long Congress rule.

15. That the demands of the railwaymen are just and genuine and most of the Members of the new Parliament actively associated themselves before, during and after the strike with our movement and worked ceaselessly for the realisation of these demands and removal of discrimination and injustices.

16. That the Annual Convention of the AIRF at Madurai held in September, 1977 instead of embarking upon a direct industrial

action decided that the railwaymen from all over the country should assemble in front of the Lok Sabha and submit petition for consideration of the Parliament.

17. That the railwaymen sincerely believe that the trust and confidence which they have in the newly elected members of the Parliament will not be belied. The Railwaymen still firmly believe that those who supported their cause vigorously, fervently and enthusiastically from the opposition benches and opposition parties in the past will continue to do so from the treasury benches as well.

18. That the railwaymen under leadership of the AIRF have glorious traditions and history of struggle against injustice. In the thirties they fought against British imperialism and during those days their cause was supported by the leadership of the Indian National Congress including Pandit Nehru. In 1946 Shri Jaya Prakash Narayan, the then President of AIRF withdrew the strike on the assurance of Pandit Nehru that the railwaymen's demands and problems would be settled after the country attained freedom. These assurances unfortunately were never fulfilled by the Congress Government during the spell of last 30 years. Instead of finding a solution to the problems of the railwaymen and fulfilling the assurances the Congress Government floated rival trade unions and broke the unity which the railwaymen had achieved (one union in each railway and one Federation) under the inspiring leadership of Shri Jaya Prakash Narayan. During this period the railwaymen were forced to go on strike in 1960, 1968 and 1974 and, on each occasion dictatorial methods were employed to break the peaceful strike of the Railway workers.

19. That the AIRF and its membership are proud that they never surrendered to dictatorship. Even during the period of emergency when there was unfettered and indiscriminate use of MISA and DIR, the 51st Convention of the AIRF at Gauhati held from 4th to 6th July, 1976, adopted a unanimous resolution demanding restoration of democratic rights, release of the detainees without trial and repeal of DIR and MISA.

20. That the AIRF and its membership in particular and the railwaymen in general are greatly concerned about the activities of the anti-social and unscrupulous elements who have raised their ugly heads in causing accidents on the railways and killing innocent passengers and railway workers besides causing damage to the railway property. We are conscious of our responsibilities and will take all possible steps to fight these sinister forces and to ensure safe travel to the railway users.

21. That the railwaymen, after withdrawal of emergency did excellent work. They not only enabled the Railway Minister to place a surplus budget with a profit of Rs. 45 crores, but by their hard work have enabled the Indian Railways to anticipate a profit of Rs. 80 crores in the current year.

22. That the rejection of some of our demands and delay in conceding the 6-point charter of demands in the aforesaid situation have come to the railwaymen as a bolt from the blue.

23. According, your petitioners, the Railwaymen of India, urge the Parliament to direct the Ministry of Railways to concede the following demands without further delay:

- (1) (a) All penal actions and trade union victimisations of railwaymen including adverse entries connected with strikes be withdrawn with retrospective effect;
- (b) Removal and suspension period connected with May, 1974 strike be treated as duty and full payment be made;
- (c) The strike period be treated as duty and full wages paid;
- (d) Additional increment which has been given to the so-called loyal workers be also granted to others who were not given the same, to remove the discrimination.
- (2) Bonus to railwaymen at one month's wages (8.33 per cent).
- (3) (a) Job evaluation for all railwaymen through scientific system to be followed by their reclassification, regradation with the need-based minimum wage as the base for the lowest paid worker;
- (b) Pending completion of job-evaluation and re-classification, immediate parity of wages with those of workers in the central undertakings;
- (c) Working hours of railwaymen be reduced to 8 hours per day;
- (4) (a) Dearness Allowance linked to the cost of living index with full neutralisation for every rise of 4 points in a six monthly period;
- (b) Cut in the rate of neutralisation affected during the emergency by bringing down the quantum of neutralisation from 4 per cent to 3-1/2 per cent in case of those

drawing salary upto Rs. 300 per month and from 3 per cent to 2-1/2 per cent in case of others be restored retrospectively;

- (c) The impounded slab of Dearness Allowance be restored.
- (5) All CDS money be refunded;
- (6) Decasualisation of all casual railwaymen and their confirmation in services with all benefits;
- (7) Supply of adequate and subsidised foodgrains and other essential commodities through departmentally run shops;
- (8) Employment of wards of railway employees in class 'C' and 'D' of railway services against 25 per cent reserve quota;
- (9) Formation of one Union in the Railway Industry through referendum;
- (10) Restructuring of the Railway Management and placing management of the Railways under the control of an independent corporation consisting of representatives of railway users, business community, railway labour and the government, with Railway Minister as its Chairman and your petitioners as in duty bound will ever pray.

Name of the Petitioner	Address	Thumb Impression or signature
Shri J. P. Chaubey .	. General Secretary, All India Railwaymen's Federation, 4, State Entry Road, New Delhi 110055.	Sd.

Countersigned by : Dilip Chakravarty, M.P.

APPENDIX VI

(See para 3.5 of the Report)

[Note on the points arising out of evidence given by the representatives of the Ministry of Railways (Railway Board) on the 14th and 15th November, 1975 on "Organisational set-up and functions of the Railway Board."]

1. "Please furnish a note on the advantages or otherwise of having a corporate form of set-up for Railways. (Please also refer to the main arguments in favour of setting up of a statutory corporation for the management of Railways as indicated in paras 7 and 8 of the Report of the Administrative Reforms Commission on Railways)".

Reply

As brought out in the question, the main arguments in favour of setting up of a statutory corporation in place of the Railway Board advanced by the A.R.C. are given in pages 7 and 8 of their report. However, disadvantages of replacing the Railway Board by a statutory corporation must have been considered far more weighty than the advantages since the ARC have made no specific recommendation for abolition of Railway Board and its replacement by a statutory corporation. These disadvantages are detailed below:

- (i) The Railway Board, if it is converted into a statutory corporation, shall become liable for all the taxes which are leviable on a corporation under the Company Law e.g. income tax, other corporate taxes, local taxes etc. The financial liabilities of the Railways shall, therefore, increase substantially. Since the Railways are not purely a commercial organisation, it will be invidious to subject them to liabilities under the ordinary company law.
- (ii) Under no circumstances will it be desirable to take away the public utility character of the Railways. If it is to become a corporation, it would have to function as a commercial organisation to the exclusion of other considerations. It is also doubtful if the Railways will be permitted to close down unremunerative lines or such of the new lines that do not yield desired returns or close down suburban services or any other passenger services which are not remunerative. Railways have necessarily to

function within the social environs and cannot wholly divorce themselves from the public good. Within such inhibitions, functions commercially as a corporation would be illusory.

- (iii) A corporation functioning purely on commercial basis will be considerably inhibited in the matter of taking up construction of new lines or conversion of existing lines into broad gauge if these are not likely to be remunerative. A purely commercial approach in this matter may not be in the interest of development of backward areas.
- (iv) In view of the financial and social considerations referred to above, it is doubtful if the corporation can be expected or allowed to take decisions purely in its own interest.
- (v) Formation of a corporation is supposed to confer freedom from Parliamentary intervention in the day-to-day working and administration. While outside interference in the day-to-day administration of the Railways is highly undesirable—and this has been stressed by several committees—it has also to be recognised that under present circumstances this cannot be wholly avoided. Perhaps the most important argument against this view is that even if the Railways are formed into a corporation, it will not stop letters being received about individual personnel matters. Further, discussions on important policy matters in Parliament afford it an opportunity to appreciate the financial requirements of Railways which are to be voted and passed by Parliament.
- (vi) Railways are spread throughout the length and breadth of the country. Often they are subjected to stresses and strains created by the law and order problems arising as a result of agitations, bundhs, etc. which may not be connected in any manner with the working of the Railways but are started for other extraneous reasons. Law and order is a state subject and if the Railway Board is converted into a corporation and Railways are converted into unit corporations, the Railways' effectiveness in getting States help to meet the above situations will get very much impaired. The full weight of the Govts., both Central and State, is necessary to meet any law and order problems on the Railways whether from within or from without and this is better secured in the present departmental set-up.

- (vii) Another important aspect of the case which merits very serious consideration is the national security angle. Transport is a service which the Government has to maintain to ensure the stability of the State in peace as well as at the time of wars. Its vital role at the time of national emergencies has to be kept in mind. It is very doubtful whether during the emergencies of 1962, 1965 and 1971, goods could have been delivered so successfully if the Railway Board was not functioning in its present form i.e., it was not working as top executive body and a Ministry, but was working as a Corporation.
- (viii) The Corporation form of working has so far been adopted in this Country, by and large, for the manufacturing concerns and industries of promotional nature and not for large public utilities with a country-wide network. Railways have an extensive network throughout the length and breadth of the country and their conversion into corporations is not likely to strengthen their structure more than what it is today.
- (ix) Another aspect which is normally considered very favourable for the creation of an autonomous corporation is that in a corporate system, the employees will cease to be civil servants and this enables a corporation to enjoy some freedom in recruiting and remunerating its staff in the manner which it thinks most suitable. In practice this freedom may prove to be an illusory blessing only, if we observe the experience of the public sector corporations already functioning in the country, in as much as restrictions of another kind, namely the practices which prevent elsewhere in the corporate sector as also the market conditions will become operative. The Railways employ a huge labour force of 1.4 million (excluding casual labour) in over 100 categories spread over a network of over 60,000 route Kilometres with conditions of work varying not only on account of operational and commercial factors but also on account of geographical factors. In the absence of direct government control and regulation of service conditions of this labour force, anarchical conditions are likely to prevail in the field of personnel management.
- (x) The reasons advanced for conversion of the Railway Board into a corporation are:

- (a) delay in taking final decisions as a result of consultations with other Ministries; and
- (b) Railways are exposed to undesirable outside interference in their day-to-day working.

Regarding (a) above it may be stated that the Railways have very close impact on other sectors of economy in the country and the development of the Railways has, therefore, to be in a planned manner, for which consultation with other Ministries is of vital importance. Changing the Railway Board from its present organisational structure into a corporation is not likely to expedite matters but on the contrary will perhaps result in greater delays. It will also create more problems of co-ordination with other Ministries.

Regarding (b) this is not such a phenomenon which cannot be rectified even within the present structure of the Board with such appropriate and adequate regulatory measures in proper quarters as may be necessary. Further, it is also doubtful whether the corporations are free from outside interference.

- (xi) The conversion of the Railway Board into a corporation will cause another intermediate tier in between them and the final decision-taking authority at the Minister's level. It may be mentioned that the Railways suffered from the handicap of an intermediate tier till 1908 when it was made independent of the department of Commerce and Industry.

APPENDIX VII

(See para 4.5 of the Report)

[Representation dt. 2-8-1978 re. proposed Fertilizers and Petro-Chemical complex outside Bombay Metropolitan Region]

Public concern about this project started mounting around August/September 1977 when rumours and vague newspaper reports started hinting that a giant fertilizer/petrochemical/industrial complex was being proposed for Mandwa/Rewas, which is only 12 kms. from Bombay city across the harbour and is *within* the Bombay Metropolitan Region. When we started making enquiries we met with a blank wall of straightforward denials or of evasions and half truths. Thus the Maharashtra Government in a letter dated December 5, 1977, to the Times of India stated categorically that only 500 acres were intended to be acquired, displacing only 260 families. Mr. Krishnaswamy, Secretary to the Ministry of Petroleum & Chemicals orally informed our delegation at the end of November that a minimum 2000 acres was needed. However, in a letter dated July 11, 1977 to the Chairman of Fertilizer Corporation of India, Mr. Krishnaswamy had already stated that 3000 acres would be required to take care of the fertilizer plant, petrochemical plant, atomic energy plant etc.

The picture that thus gradually began to emerge was one of a giant industrial complex involving an investment of several thousand crores, right on the Bombay doorstep. This was in blatant violation of the new economic policy of not locating any large industries within 15/20 kms. of an urban area. Our grounds for opposing this location of the project were:—

- (a) Concentration and congestion in the Bombay Metropolitan Region, which would violate Government's stated economic policy of decentralisation of industries.
- (b) Pollution threat to Bombay.
- (c) Displacement of farmers.

We made an immediate appeal to the Chief Minister, Mr. Vasant-dada Patil. He however bluntly informed us that the decision to locate the plant at Mandwa/Rewas was final, and that he was not interested in what he called the 'technical' aspects of the case. We

got a similar response from the Union Minister for Petroleum and Chemicals, Mr. Bahuguna.

However, there was a prolonged public agitation. The farmers and fishermen of the area took a boat morcha to Bombay. The farmers of the area maintained a prolonged vigil and refused to permit the FCI and World Bank teams to visit the site. As a result of this a Cabinet Sub-Committee consisting of Mr. Bahuguna, Mr. H. M. Patel, Mr. George Fernandes and Mr. Dandavate was formed to look into the case. This Sub-committee referred the matter to the National Committee for Environmental Planning and Co-ordination (NCEPC). Mr. Bahuguna publicly stated that he would abide by the report of the NCEPC and that if there was even a 5 per cent chance of danger to Bombay, this plant would have to be shifted.

We ourselves, conducted a study and submitted the same to the NCEPC. We enclose herewith a copy of our report. We suggested then and later a number of sites to provide for a whole range of options. The sites were from Jaigad and Dhabol in the south Konkan (Ratnagiri District) to Parshuram, Mahad, Pali, Janjira; Murud; Chanera, Rewdanda etc.

We made repeated requests to the Central Government, State Government and NCEPC themselves that we should be allowed to meet the NCEPC to enable us to put our view point forward. This was denied to us. The representatives of Fertilizer Corpn. however were allowed to meet the NCEPC, in the course of which they made several inaccurate and misleading statements. Their figures have been changing constantly. Thus they have always stated that this being a gas based plant there would be no pollution. However they neglected to admit that 1.2 million tonnes per year coal would be used as fuel, which would cause tremendous pollution. This was discovered by us only when we were able to obtain a copy of a report prepared jointly by the Fertilizer Corporation and Maharashtra Industrial Development Corporation. When this was pointed out to the FCI representatives they promptly changed the figure of coal requirements to 0.43 million tonnes per year. Similar changes in their figures and statements have been constantly made by them.

In any case in April 1978, NCEPC prepared its report in which it categorically rejected Rewas/Mandwa and recommended Tarapur. The grounds for rejecting Rewas/Mandwa involved pollution, increase of congestion of Bombay and the fact that the renowned Ali-bag observatory of the Indian Institute of Geomagnetism (one of only three such in the world) would have to be shifted.

The Central Government decided to locate the plant at Tarapur. The Maharashtra Government took strong objection to this on the

grounds that Tarapur, (though a registered backward area of Maharashtra where the Maharashtra Government and its agencies give special incentives for industries) was too close to Gujarat. Hence there was a danger that some of the downstream petrochemical units would go across the border to Gujarat. (All along, however, the Maharashtra Government had claimed that no petrochemical units would come up near the fertilizer plant).

As a result of the Maharashtra Government pressure, the Government urged the NCEPC to restudy the whole matter. The Prime Minister stated that he would be prepared to locate the plant as far south as Ratnagiri town. The Maharashtra Government was asked to suggest sites to the NCEPC.

We requested the Maharashtra Government and the Central Government to ask the NCEPC to consider several sites in Ratnagiri and Kulaba districts. We gave details of these sites i.e. Jaigad, Dhabol, Parshuram, Mahad, Pali, Rewdanda, Janjira, Murva etc. These sites had also earlier been studied by Maharashtra Industrial Development Corporation (MIDC), who had also pointed out that the extra cost, if any, involved in shifting to these other sites was marginal. However the Maharashtra Government suggested on 5 sites to the NCEPC namely Usar-Kure, Divi-Parangi, Thal-Vaishet, Sogaon and Velavli. All these sites were in the proximity of the rejected Rewas/Mandwa site. Three of them (the last three) were within the Bombay Metropolitan Region thereby violating Government's economic policy. All of them were in one taluka of one district (Alibag taluka of Kulaba District). This was contrary to the Prime Minister's public statement that sites as far south as Ratnagiri could be reconsidered. In spite of repeated requests made by us, the Maharashtra Government flatly refused to ask the NCEPC to consider sites outside Alibag taluka. We were also not allowed to appear before the NCEPC.

In its second report, the NCEPC rejected all the five sites suggested by the Maharashtra Government and again recommended Tarapur. We enclose herewith a copy of the conclusions of the Task Force together with a summary.

We give below the exact words of the NCEPC.

'Taking all the environmental facts into consideration, the Task Force does not recommend location of the plant in Rewas. From the environmental point of view, Thal-Vaishet is even less suitable than Mandwa. Hence, this site is not recommended.'

However the Chief Minister of Maharashtra, Mr. Vasantdada Patil misrepresented the facts to the Maharashtra legislators and

stated on the floor of the House that the Task Force had recommended Thal-Vaishet. On that basis the Maharashtra legislature passed a resolution recommending Thal-Vaishet. The legislators were also misleadingly informed that the choice lay between Thal-Vaishet and Tarapur. (This misleading impression was given by quoting the words of the lone dissenting member of the Task Force who stated that Rewas/Mandwa and Thal-Vaishet were acceptable but as second and third choices after Tarapur).

We have been repeatedly requesting that the NCEPC report be made public, but to no avail. Hence a majority of Maharashtra legislators and M.P.'s seem to be under the impression that the NCEPC has cleared Thal-Vaishet. In point of fact the NCEPC has, as mentioned above, rejected Thal-Vaishet. In fact the NCEPC has rejected all sites north of Alibag town stating that they '*may disrupt the life of the people*'.

However the Petroleum Ministry steadfastly refuses to make the report public. It is our earnest plea that this report be made public, so that this misrepresentation and confusion may cease.

Mr. Vasantdada Patil also stated on the floor of the House that Mr. Bahuguna had informed him that he was prepared to locate the plant at Thal-Vaishet provided the Maharashtra Government cleared the fifth stage expansion of the Chembur/Trombay fertilizer plant (to which the Bombay Municipal Corporation has raised objections).

This was reported in the press as a 'deal' on fertilizer plant location. As one M.P. pointed out, apparently the pollution caused by one plant would be absorbed by the pollution caused by the other. This does seem a strange manner in which to take location decisions.

It was subsequently stated by Mr. Bahuguna that the decision regarding choice of sites had been left to the State Government. The State Government ministers and legislators keep informed us that the centre had informed them that the choice now lies between Thal-Vaishet (which has been rejected by the NCEPC) and Tarapur, and that if there is any more discussion the State will lose the fertilizer project or the project will go to Tarapur. The Central Government ministers and officials inform us that it is not the Centre which is insisting on Thal-Vaishet, and that they are prepared to consider other sites south of Bombay. They also tell us that they have clarified to the State Government that there is no danger

of the State losing the project. They insist that it is the State which insists on Thal-Vaishet.

- (a) the NCEPC report be made public.
- (b) the NCEPC be asked to look at fresh sites south of Bombay and well away from the Metropolitan Region. At this and subsequent investigations, we and other environmental groups should be allowed to be associated formally.
- (c) If (b) is not possible, then as a bare minimum the plant be located anywhere in the Konkan outside the Bombay Metropolitan Region. (If necessary it could be located in the vicinity of Thal-Vaishet, which would satisfy the State legislature resolution. This would involve a shift of only a few miles, but would establish the important principle that any fresh industries should be outside the Bombay Metropolitan Region.)
- (d) The complex of ancillary industries, petrochemical industries downstream units etc., should be moved south into the backward areas of the Konkan into Ratnagiri or south Kulaba districts. In any case no such unit should come up within or in the vicinity of the Bombay Metropolitan Region.

APPENDIX VIII

[Petition No. 16 regarding inclusion of Bhatara Tribe of Kalahandi District in the list of Scheduled Tribes of Orissa]

LOK SABHA

PETITION NO. 16

(Presented to Lok Sabha on 11-5-1978)

To,

Lok Sabha

New Delhi.

The humble petition of Shri Dambarudhar Pujari, P.O. Moter, Kalahandi District, Orissa, belonging to the Bhatara Tribe.

SHEWETH

That the members of the Bhatara Tribe residing in Kalahandi District, Orissa are not included by mistake in the list of Scheduled Tribes of Orissa, whereas members of the same tribe residing in the adjoining Koraput district of Orissa, in the Bastar district of Madhya Pradesh and the Chanda district of Maharashtra are included in the list of Scheduled Tribes and enjoy all the Constitutional and other benefits.

In Orissa there is a confusion in implementing the provisions of the Scheduled Tribes Order of 1950. In Orissa there is a Scheduled Tribes known as "Bhottada" *vide* Serial No. 5 of the list of Scheduled Tribes of Orissa as per Scheduled Tribe Order of 1950 amended in the year 1956. In Madhya Pradesh and Maharashtra there is a Scheduled Tribe known as "Bhattra" as per the Scheduled Tribe Order of 1950. This tribe is found in two districts i.e. Koraput and Kalahandi districts of Orissa. Koraput district was in Madras Presidency till 1936 when the State of Orissa came into existence. In the year 1970 the A.T.L.T. Act of Madras came into force and as a result of that the aforesaid tribe was accepted as Scheduled Tribe in that Act to protect this tribe from exploitation along with the other tribes to prevent transfer of land by tribals to non-tribals. This Act remained in force in Koraput district even after this district was merged in Orissa till 1950 when it was amended by another Act of the Orissa Government i.e. Regulation of 1956.

In the mean time the Scheduled Tribe Order of 1950 came into force and this tribe did not find its place in the list of Scheduled Tribes of Orissa due to some reason or other, but the mistake was rectified in the year 1956 by amending the said Order by including them as "Bhattada" in the list of Scheduled Tribes of Orissa. Though they are actually Bhataras in the list they are called "Bhattada", because this name "Bhattada" appeared in the above mentioned Madras Act and Koraput was a part of the erstwhile Madras Presidency.

It is because of this phonetic difference in pronunciation between the Madras Officers and the Orissa Officers, the members of the same tribe residing in Koraput district were recognised as Scheduled Tribes since 1917 to 1950 and from 1956 onward, whereas those residing in Kalahandi district who call themselves as Bhatara are eliminated. However, in Bastar (Madhya Pradesh) and Chanda (Maharashtra) members of our tribe are treated as Scheduled Tribe because the Madhya Pradesh Scheduled Tribe list and the Maharashtra list enumerate them as "Bhattra". Shri Khagapati Pradhani, M.P. from Koraput is a Bhatara so also Shri Lakhmu Bhawani a former M. P. from Bastar was a Bhatara.

Till today the Bhataras of Kalahandi district do not get any privilege or benefit meant for the Scheduled Tribes, though this Tribe legally and for all purposes belong to the same tribe Bhatara (wrongly pronounced as Bhottada or Dhotada by the Telegu Officers of Madras presidency). There is no Tribe by the name Dhotada in Orissa. We are surprised how the derogatory name "Dhotada" was incorporated. Even today the Telegu people in Koraput district cannot pronounce Bhatara and call them Bhottadas. So the Bhataras in Kalahandi (Orissa), the Bhattadas in Koraput (Orissa), the Bhattras in Bastar (MP) and the Bhatras in Chanda (Maharashtra) are one and the same. "R" and "D" phonetically are the same.

So the Orissa Government *vide* their letter No. 12866/TRW dt. 16-4-1976 recommended to Central Government to include the "Bhataras" of Kalahandi District in the Scheduled Tribe list of Orissa and to remove the anomaly.

The Supreme Court in the case of "Bhayaram Munda Vrs. Aniruddha Patar", in their judgement in 1971 have clarified that by whatever names the tribes are known, if the synonym referred to that particular tribe, then that name should be accepted as the name of that tribe.

And accordingly your petitioners pray that the "Bhataras" of Kalahandi be treated as "Bhottadas" as per entry 5 in the list of Scheduled Tribes of Orissa by an executive order even without amending the Scheduled Tribes Order of 1956 and all the Constitutional, statutory and other benefits and privileges granted to the Scheduled Tribes be extended to us.

And your petitioners as in duty bound shall ever pray.

Name of petitioner	Address	Signature or Thumb Impression
Dambarudhar Pujari	At / P. O. Moter Distt. Kalahandi (Orissa)	Sd/-

Countersigned by : P. K. Deo, M.P.

APPENDIX IX

(See para 62 of the Report)

[Petition No. 21 regarding rehabilitation of Bhakra Dam oustees]

LOK SABHA

PETITION NO. 21

(Presented to Lok Sabha on 31-8-1978)

To,

Lok Sabha,
New Delhi.

The humble petition of Shri Baldev S. Kutlehria and other Bhakra Dam oustees, District Hissar.

SHEWETH

About 2180 families evacuated from Bhakra Dam reservoir area in districts Una and Bilaspur of the State of Himachal Pradesh were proposed to be resettled in Districts Hissar and Sirsa of the State of Haryana. Due to various difficulties, only 730 families have so far been able to resettle in Haryana and most of these families too will be forced to leave their homes and hearths if the difficulties of these people are not looked into urgently. Scores of representations made in the past to the Chief Ministers of the Bhakra Dam beneficiary States and the Union Energy Minister to look into the difficulties of these people have remained unheeded, presumably because every State wants to disown these hapless people.

2. The difficulties faced by the oustees are enumerated below:—

- (i) More than 65 per cent families ousted from Bhakra Dam reservoir area have been allotted less than 5 acres of land each. In many cases the land allotted to a family is even less than one-tenth of an acre. It is not possible for the oustees to resettle unless each family is allotted an economic and viable land holding. In this connection, it may be submitted that each family ousted from Pong Dam reservoir area has been allotted 15.625 acres of land in Rajasthan. It is not understood why step-motherly treatment has been meted out to the Bhakra

Dam oustees whose sacrifice is in no way less than that of Pong Dam oustees. The oustees who owned land in Bhakra Dam reservoir area have not even been treated as on par with landless cultivators and Harijans as the latter have been allotted an economic and viable land holding of 5 acres per family.

- (ii) The position has become worse for the oustees as the Government has now conceded the demand of powerful landowners, from whom land was acquired for allotment to the oustees, for enhanced compensation. The amount of enhanced compensation payable to the landowners, together with interest, is proposed to be realised from the poor oustees. In many cases, the amount which is now proposed to be realised from the oustees on account of enhanced compensation will be much more than the original price at which the land was allotted to the oustees. It would not be justifiable to realise the said amount from the oustees in view of the following factors:—

- (a) As the oustees have been evacuated from their native place in national or public interest, it casts a moral obligation on the part of Bhakra Dam beneficiary States as well as the Union Government to ensure their proper resettlement. Any additional financial burden on the poor oustees is bound to nullify all that the Government has done for their resettlement, as they will be compelled to raise the money by the sale or mortgage of their small land holdings.
- (b) The landowners fraudulently got the kind of land changed from 'Banjar' to 'Nehri' in the revenue records, with the connivance of revenue officials, so that they may claim more compensation for the land acquired from them for allotment to the Bhakra Dam oustees. To illustrate, the land of Village Ratta Tibba (Hazrawan Khurd), district Hissar, was 'Banjar' at the time of acquisition. Subsequently, the revenue records were tampered with and this land was shown as 'Nehri'. The said tampering of land records by the revenue officials has been established on the basis of a departmental enquiry and police investigations. The Government of Haryana has also conceded that on this account an amount of Rs. 64,223/- has already been charged in excess from the Bhakra Dam oustees for the

land allotted to them. It would be unfair to put any additional burden on the poor oustees as they have already been charged in excess.

(c) Though the land was allotted to the Bhakra Dam oustees about twenty years back, still the proprietary rights have not so far been given to them. Had the Government given the proprietary rights to the oustees immediately after giving the possession of land to them, it would not have been possible for the land owners to sue each oustee in the Court of Law and claim enhanced compensation after a period of 20 years. It appears that the conferment of proprietary rights has been deliberately delayed with the *mala fide* intention of giving the land owners an opportunity to claim more compensation by suing the Government in the Court of Law as a single party.

(d) The land acquired from the oustees in Bhakra Dam reservoir area was evaluated on the basis of average price of land during 1942—47, whereas the land allotted to them in Haryana was evaluated on the basis of average price during 1952—57. As a result of this disparity the oustees got less compensation for the land acquired from them and had to pay more for the land allotted to them, particularly so because there was steep rise in the price of land from 1947 onwards due to influx of the refugees after partition. In view of the position stated above, any additional burden on the oustees would not be justified.

(iii) As the proprietary rights of the land allotted to the Bhakra Dam oustees are still vested with the Government, the oustees have all along been denied the development loans and other facilities advanced by the Government agencies to the farmers. Due to this, the oustees have been bogged down in the morass of backwardness and they deserve special privileges to catch up with the other people of Haryana State.

Accordingly your petitioners pray that:

(i) Each family ousted from Bhakra Dam reservoir area may be allotted an economic and viable land holding of 10 acres;

- (ii) The land acquired from the oustees in the reservoir area may be re-evaluated on the basis of average price during the years 1952—57;
- (iii) The proprietary rights may be given to the oustees forthwith;
- (iv) The enhanced compensation payable to the land owners, from whom land was acquired for allotment to the oustees, may be borne by the Bhakra Dam beneficiary States and the Central Government; and
- (v) The Bhakra Dam oustees who have resettled in Haryana may be declared a backward class for a period of at least 10 years henceforward so that they may get special privileges for development.

And your petitioners as in duty bound will ever pray.

Name of Petitioner	Address	Signature or Thumb Impression
1. Shri Baldev S. Kutlehria	Vill. & P.O. Ratta Tibba, Distt. Hissar-125050.	Sd/-
2. Shri S. P. Sharma	V. & P. O. Ratta Tibba, Distt. Hissar-125050.	Sd/-
3. Shri Rup Singh	Vill.-Dain, P.O. Mandli, Tehsil & Distt. Una.	Sd/-
4. Shri Bal Kishan and others	Village & P.O. Raipur, Tehsil & Distt. Una.	Sd/-

Countersigned by : Ranjit Singh, M.P.

APPENDIX X

(See para 7.3 of the Report)

[Factual Comments dated 22nd January, 1979 of the Ministry of Finance (Department of Economic Affairs) (Insurance Division) on the points raised in Petition No. 22 regarding working of the Life Insurance Corporation of India]

The Petition No. 22 presented to Lok Sabha on 28th November, 1978 mentioned that "inspite of the so-called growth in the business, the LIC has miserably failed to fulfil any of the objectives", which were put forth at the time of nationalisation of life insurance business. The following paragraphs set out the progress made by the LIC in achieving the objectives. As regards the statistics for the year 1977-78, it may be mentioned that conditions during the year were abnormal due to the agitation of Class II employees from December, 1977, onwards and a strike by them in month of March, 1978.

OBJECTIVE No. 1

"Spread life insurance much more widely and in particular to the rural areas and to the socially and economically backward classes with a view to reaching all insurable persons in the country and providing them adequate financial cover against death at a reasonable cost" (a brief description of this objective was given in the Petition as 'A'). Spread of the life insurance business over the country generally and particularly in the rural areas will be evident from the following statistics:—

TABLE I
Spread of new business and Penetration in rural areas

	1958	1963-64	1967-68	1971-72	1975-76	1976-77	1977-78
No. of new policies sold ('000) (Individual assurance)	954*	1638*	1423*	1896	2009	2053	1854
Sum Assured (Rs. in crores) (Individual assurance)	339*	693*	835*	1629	2104	2095	2005
No. of new lives covered ('000) (Group Insurance)	**	**	**	142	2308	665	979
Sum Assured (Rs. in crores) (Group Insurance)	**	**	**	131	3269	3007	3785
No. of rural Policies ('000)	N.A.	585	510	600	650	686	571
No. of Branches, sub-offices and Development Centres	222	711	701	705	792	806	811

*Includes 'Group'

**Included in 'Individual'

With the help of Group Term Insurance policies, under which the premiums are paid mainly by employers, the LIC is providing death cover to a large number of employed people at a very low cost. Prior to 1970, LIC was charging extra premium for persons engaged in hazardous occupations, many of whom belong to socially and economically backward classes. In 1970 LIC decided to waive the extra premium in all cases in which extra premium chargeable was upto Rs. 4/- per thousand sum assured.

OBJECTIVE NO. 2

“Maximise Mobilization of people’s savings by making insurance linked savings adequately attractive.” (Objectives ‘C’ and ‘D’ mentioned in the petition). The extent of people’s saving mobilised by LIC will be evident from the following table:—

TABLE 2
Mobilisation of People's Savings

(Rs. in crores)

	1958	1963-64	1967-68	1971-72	1975-76	1976-77	1977-78
First Year Premium	13.66	28.86	34.14	61.51	99.60	101.94	101.81
Renewal Premium	59.05	116.04	176.26	270.72	457.96	511.21	562.48
Others	0.92	1.82	2.61	6.32	30.69	40.15	45.14
	73.63	146.72	213.01	338.55	588.25	653.30	709.43

The foregoing table shows that there has been an exponential growth in the first year’s premium as well as total premium of the Corporation over the last 20 years. Since 1970 the LIC has reduced the premium rates under several without-profit plans but it has not effected any reduction in the with-profit premium rates as surplus is passed on to policyholders in the form of bonus. Rates of bonus which in 1957 were Rs. 12.80 per thousand sum assured per annum for Endowment assurances and Rs. 16/- per thousand sum assured per annum for Whole Life assurances were increased to Rs. 20/- and Rs. 25/- respectively on the basis of the valuation as at March 1977. The LIC has recently set up a Committee of actuaries to go into its premium rates structure and to make recommendations. The following are the terms of reference:—

“To examine the premium rates currently offered by the LIC, to consider whether any revision is called for and if such

revision is warranted, to advise the premium bases and consequential measures to be taken to ensure equity among policyholders."

OBJECTIVE NO. 3

"Bear in mind, in the investment of funds the primary obligation to its policyholders, whose money it holds in trust, without losing sight of the interest of the community as a whole, the funds to be deployed to the best advantage of the investors as well as the community as a whole, keeping in view, the national priorities and obligations of attractive return" (mentioned briefly as 'E' in the petition).

According to the statutory provision, 75 per cent or more of the annual accretion to the LIC's funds must be invested in Central and State Government securities and investments in socially oriented schemes. In selecting investments, the LIC is guided by consideration of earning maximum yield consistent with the safety of capital.

The improvement in the yield on the LIC's investments is evident from the following table:—

TABLE 3

	1958	1963-64	1967-68	1971-72	1975-76	1976-77	1977-78
Gross yield%	N.A.	5.11	5.88	6.29	7.13	7.57	7.49*
Net yield (after tax)%	3.52	4.07	5.18	5.54	6.45	7.49	..

*The gross yield for the current year has been worked out by deducting from the gross interest and dividend the current year's provision of tax liability. Hence, this figure is strictly not comparable with the previous year's figure. The net yield for the current year has not been worked out as there is no significant amount of deduction of income-tax at source from interest and dividend, consequent to the change in the basis of the taxation of the Corporation. For comparable purposes previous year's net yield has also been not shown.

A statement of gross investments made in 1977-78 and the redemption yield on various classes of sections is attached. It will be seen therefrom that yield on loans to State Electricity Boards, Sugar Cooperatives and HUDCO is almost the same as investment in the private sector, viz. debentures, preference shares and loans to companies. As for equity shares the current yield is low and to the

extent that bonus shares are issued in future the ultimate yield could be higher if the companies do well.

OBJECTIVE NO. 4

“Conduct business with utmost economy and with the full realisation that the monies belong to the policyholders”.

The following table gives the LIC's expense ratios for various selected areas since its inception as well as the consumer price index for some of the years.

TABLE 4
EXPENSE RATIOS

	1958	1963-64	1967-68	1971-72	1975-76	1976-77	1977-78
Renewal Expense Ratio% .	15.46	12.46	15.90	14.36	18.14	14.92	15.65
Overall Expense Ratio % .	29.2	27.5	27.52	27.85	29.66	26.10	25.73
Consumer Price Index			177	192	312.8	301	324

While it is true that the expenses of management have in recent years been on the high side, it may be mentioned that this situation is attributable, by and large, to the inflationary pressures. During recent years the LIC has taken a number of budgetary control measures to reduce the expenses to the extent possible. These include a virtual ban on fresh recruitment and reduction in over-time to the barest minimum. It may be added that the control over expenditure is engaging the constant attention of the LIC.

OBJECTIVE NO. 5

“Act as Trustees of the insuring public in their individual and collective capacities.” (Mentioned as ‘H’ in the petition).

The Corporation acting as the trustees of the insuring public builds up the fund to meet the claim liabilities as and when they arise and this fund is being judiciously invested to ensure adequate return consistent with safety of the capital. The statutory provisions require that at least 75 per cent of the life insurance fund should be invested in Central Government and State Government and Government Guaranteed securities. These provisions are being strictly complied with.

The Corporation has been discharging its responsibilities as trustees of insuring public by settling the claims arising in each year.

When the Corporation was set up in 1956 the claims paid in a year were around Rs. 25 crores. During the year 1977-78 the claims settled were of the order of Rs. 200 crores. It may thus be seen that the amount of claims settled has increased by about eight fold during the last two decades.

The disclosure of surplus at the biennial valuations provides satisfaction that the required fund is set up from out of the moneys collected from the policyholders to meet in full the future liabilities, as trustees of the insuring public.

OBJECTIVE NO. 6

“Meet the various Life Insurance Needs of the Community that would arise in the changing Social and Economic environment”. (Mentioned as ‘B’ in the petition).

The insurance needs of the public are being continuously examined to see whether these are met by the existing Plans of Assurance. As part of the endeavour to satisfy the various needs of the insuring public, the following new Plans of Assurance have been designed and introduced in the past:—

1. Convertible Term Assurance Plan
2. Mortgage redemption Assurance Plan
3. Retirement Annuity Policy
4. The Centenary Policy
5. The Grihalakshmi Policy
6. The Money Back Policy
7. The Cash & Cover Policy
8. The Progressive Protection Policy

The Centenary policy suits the needs of people with fluctuating incomes and thus satisfies the needs of the rural public. The Grihalakshmi Policy was introduced in 1975, the International Women’s Year. The Grihalakshmi Policy was devised to provide security to the non-earning Indian housewife in her old age or on the loss of her husband. The Money Back Policy supplements the existing series of Anticipated Endowment assurance Plan. It is available for 4 terms—12 years, 15 years, 20 years and 25 years. In addition to providing cover against death, the policy also ensures return of sum assured in instalments at regular intervals. The Cash & Cover Policy has been designed to provide in one policy the dual benefits of early return of policy proceeds and of adequate protection for the family. The Progressive Protection Policy has been designed to provide for

automatic increases in Sum assured at fixed intervals at premium rates guaranteed in advance. No fresh evidence of health will be required at the time when increase in sum assured is availed of. In the new year the LIC has introduced a new policy called the "Children's Anticipated Policy" which can be purchased by the parent or near relative for a child upto the age of 14 years. The policy provides for a lump sum cash payment at preselected ages of 18 or 21.

LIC Group Schemes: LIC's Group Schemes have played a very important role in enabling LIC to fulfil the obligation of extending insurance protection. The Corporation offers life insurance protection and retirement benefits under Group Schemes which are in the nature of employee benefit schemes. The schemes provide life insurance protection at a very low cost because of the economies achieved through mass administrative methods. The Corporation offers the following three standard schemes:—

- (a) Group Gratuity Life Assurance Scheme
- (b) Group Term Insurance Scheme
- (c) Group Superannuation Scheme

With the help of these schemes LIC has been able to provide insurance protection and benefit of enhanced death gratuity to a large number of employees particularly those belonging to the weaker section of the society.

OBJECTIVE NO. 7

"Involve all people working in the Corporation to the best of their capability in furthering the interests of the insured public by providing efficient service with courtesy".
(mentioned briefly in objective 'I' of the petition).

The LIC has taken various steps to ensure efficient service to the policyholders. These include decentralisation of Servicing functions to branch levels, appointment of liaison officers at various divisions for rendering on the spot service to the policyholders and arranging periodically Insurance Weeks celebrations. Arrangements have also been made to deal promptly with the enquiries and complaints from policyholders who approach the offices personally and for this purpose the names of officials attending to such enquiries are prominently displayed for the benefit of the visiting policyholders.

The Corporation has set forth targets for disposal of references from policyholders pertaining to various transactions of policy ser-

ving, viz., loan payments, revival actions, claim payments, surrender payments etc. These are expressed in terms of time-lags in disposals and monthly reports are obtained from the operating offices to review performance, *vis-a-vis*, targets.

One of the indices to indicate the level of efficiency in rendering services to the policyholders is provided by the flow of complaints. The number of complaints received and attended per 1000 inforce policies is, 0.38 during 1977-78 as against 0.61 during 1976-77. There has been, in fact, a very sizeable reduction in the number of complaints received in the Central Office and this indicates the improvement achieved in productivity and efficiency.

With a view to involving employees in the process of improving efficiency, shields have been instituted for best performance in claims settlement and comparative performance is circulated widely in respect of Deposit Clearance by offices. A special internal journal has been started giving information and highlighting achievements of individual employees in official work as also achievements in social life by employees and members of their families.

OBJECTIVE NO. 8

“Promote amongst all agents and employees of the Corporation a sense of participation, pride and job satisfaction through discharge of their duties with dedication towards achievements of corporate objectives”. (mentioned briefly in objective ‘G’ of the petition).

Agents:

The Corporation has attempted at various stages to attain a sense of participation and job satisfaction for our agents.

The LIC has introduced a pre-recruitment orientation programme for prospective agents which is followed by an initial training programme for the selected agents. While the initial training of agents would mean the consolidation of new agents under Agents Regulations 1972, absorbed agents training programme is aimed at creation of professional agents.

Various incentives are offered to agents if they want to be full-time agents. Agents’ Clubs are organised at Central, Zonal, Divisional and Branch levels to give a higher status to agents. Membership of these clubs carries additional financial incentives by way of loans and office allowances.

Training Cells are organised in Divisions and Branches for developing and organising training activities.

Career Agents' Scheme:

Career Agents' Scheme was planned to create full-time professional agents. Now there are 38 centres where full-time agents work on stipend for two years during which field class room training is given.

Employees:

With a view to promoting a sense of participation, pride and job satisfaction, the Corporation communicates with the development and administrative personnel through its monthly journal 'Yogakshema' and 'LIC News Letter'. The expectations, actual experiences and achievements at different offices of the Corporation spread throughout the length and breadth of the country are made known to all employees, so that a sense of participation is inculcated and a climate for a healthy competition in performance is generated. Competitions are floated for achievement of specific goals in the areas of procurement of business, maximum claims settlement and maximum deposit clearance and shields are awarded to the successful offices.

The Corporation has established at Bombay a Training College, with campus attached for training of existing officers as well as newly recruited ones. For clerical staff, arrangements are made for training locally.

As a welfare measure, the Corporation has put on permanent footing the promotion of sports and recreational activities amongst its employees.

Ideally, the LIC could have done better but even taking into account the achievements *vis-a-vis* objectives and the performance, it is not correct to suggest that the LIC has miserably failed to fulfil any of the objectives.

In the light of the foregoing, the following comments are offered on the suggestions made in the petition:—

Suggestion No. 1

The Centenary policy of the LIC meets this requirement. Under this policy the sum assured is payable on death during the currency of the policy or on survival to the stipulated date of maturity. After at least 4 years' premiums have been paid in respect of a 15 year policy and at least 5 years' premium in respect of a 20 year and 25 year policy, if default occurs in the payment of premium life insurance cover under the policy is continued for a period of one year, subject to deduction of cost of overdue premium with interest. This

facility of extended cover will be available once in every block, of three years after the first four years in case of 15 year policy and after first five years in case of 20 year and 25 year policy. The premium falling due one year after the date of default has to be paid within the days of grace. The premium that was defaulted need not be paid but the Sum Assured will be decreased with effect from the expiry of one year from the date of default by an appropriate amount. In case of more than one permitted default during the currency of the policy, the total reduction in Sum Assured will be the total of the reductions against the relevant defaults. Notwithstanding the fact that the policyholder has availed of the permitted defaults resulting in reduction in sum assured, the policy shall be eligible for bonus on the original sum assured and also in respect of the years covered by permitted defaults.

Suggestion No. 2

As stated in the comments under objective No. 2, the LIC has recently set up a Committee to go into the matter.

Suggestion No. 3

This has been dealt with in the comments under objective No. 3.

Suggestion No. 4

This has been dealt with in the comments under objective No. 2.

Suggestion No. 5

It was the general practice of insurers in India to allocate bonuses to policyholders in a simple reversionary form. This method was adopted by the LIC also. This system is easily understood by the insuring public. It is the system generally followed by companies in U.K. also and it has been shown to be reasonably consistent with the actuarial bases of premiums and the valuation of liabilities generally adopted.

In the reversionary form, bonuses allocated to policyholders as a result of the Surplus disclosed at valuations are added to the sum assured and are paid along with the sum assured on the date of maturity or on earlier death as the policy may provide. Cash payments possible in distribution of Surplus would be low and preference would, therefore, generally lie with bonuses forming additions to policy benefits.

While arriving at the amount of bonus, the valuing actuary allows for interest and mortality while translating the surplus amount.

available for allocation into a reversionary addition to the sum assured payable accordingly with the assurance amount. There is no question, therefore, of any interest having specifically to be allowed on the late payment of bonus and a cash equivalent would actually represent a discounted figure. However, the LIC would examine the suggestion further.

Suggestion No. 6

This has been dealt with in the comments under objective No. 4.

Suggestion No. 7

The following are some of the important steps taken to simplify procedures for settlement of loan:—

- (i) Prior to 1968, loan bonds were executed by policyholders. In 1968 the Corporation introduced a new procedure whereby the policyholder was required to place an endorsement on the policy setting out the terms and conditions for granting loan. The endorsement is chargeable to stamp duty as an agreement, resulting in saving in stamp fees to the policyholders. The procedure was further simplified later by the Corporation printing the loan conditions on the body of the policy itself in respect of policies issued on or after 1-6-1969 and as a result even the endorsement fee mentioned above is not required to be charged for loans granted under the policies issued on or after that date.
- (ii) Normally, the Corporation pays the loan amount to the policyholder by a cheque to ensure that the amount is received by the person who is entitled to it. The procedure, however, has been simplified by providing for payment in cash for those availing of small loan of Rs. 500 or less on proper identification. This facilitates receipt of payment of loan by the policyholders who avail of small loans.
- (iii) The Corporation started decentralising the work of settlement of loans to the Branch Offices as far back as 1962 to enable the policyholders to get their loans quicker. The quantum of loan which the Branches were authorised to grant was gradually increased and at present the Branches grant first loans on policies upto Rs. 7,500/-. The work of granting second and further loans on the same policy is also being decentralised to Branches and a large number of Branch Offices have already taken over this function. As:

a result of these measures, when the policyholders approach our offices personally, loans are normally granted on the same day and when the requests are received by post, they are settled within 7 to 10 days in a majority of cases.

Suggestion No. 8

The Corporation has already set for itself the following objectives in the matter of settlement of claims:—

- (i) All maturity claims under 'In force' policies should be settled within one month of the date of maturity.
- (ii) In respect of maturity claims under paid-up policies, the settlement should be within a maximum time limit of three months.
- (iii) As regards death claims other than early claims, where investigation is not necessary, the claim should be paid within a maximum period of three months.
- (iv) In case of early claims where investigation is necessary the disposal should be ensured within a maximum period of six months.
- (v) No claim should remain outstanding for more than one year unless it involves legal matters or matters regarding Exchange Control.

While the Corporation has adopted the above mentioned time schedules as the outside limits, its aim is to settle all maturity claims on or about the dates of maturity.

The performance of the Corporation indicates that it has attained a certain level of success but there is considerable scope for improvement. About 40 per cent of the maturity claims are settled on the maturity dates and another 20 per cent within 30 days of the dates of maturity. About 60 per cent of the death claims are paid within 90 days of intimation of dates of deaths. An analysis of the outstanding claims as on 31st March, 1978 shows that over 80 per cent of them were pending for want of requirements such as policy documents, discharge forms and claim forms from the policyholders/claimants.

In case of complaints, the Corporation expects all its offices to normally dispose off the complaints within a period of 15 days. Rigorous follow-up the complaints has led to a substantial fall in

The number of complaints as would be evident from the following table:—

Year	No. of complaints	Complaints per thousand policies in force
1975-76	18,189	0.94
1976-77	12,219	0.61
1977-78	17,818	0.381

During the year 1977-78, 78.7 per cent of the complaints were disposed of within one month, 18.3 per cent between one and three months and only 3 per cent after three months.

In addition to the above, the Liaison Officers have been appointed in nine centres, viz. Bombay, Madras, Delhi, Calcutta, Patna, Varanasi, Hyderabad, Bangalore and Ahmedabad for rendering on the spot service to policyholders. These appointments are notified periodically in the leading newspapers at the respective centres. This is in addition to the special arrangements which exist in all the Divisional Centres for expeditious disposal of complaints. Arrangements have been made in other offices also to deal promptly with enquiries and complaints from the policyholders who approach the offices personally. For this purpose the names of the officers attending to personal complainants are prominently displayed for the benefit of the visiting policyholders.

The Corporation is keeping a constant watch for effecting further improvement in the disposal of complaints.

Suggestion No. 9

Prior to nationalisation, the insurers were generally charging an extra premium of Rs. 5/- per thousand Sum Assured per annum to the female lives upto age 50. In addition to this, a constant lien of 50 per cent for the first 5 years was also imposed by many insurers which meant that a death claim was to be paid to the extent of 50 per cent of the Sum Assured only if it occurred within 5 years of the commencement of risk. Many insurance companies did not accept proposals on illiterate female lives and generally offered only endowment assurances with maturity age not exceeding 60.

After nationalisation, the LIC has been gradually liberalising the terms offered to female lives. The existing rules relating to the insurances of female lives are as under:—

Category of lives	Rating	Amount of Max. Insurance
(1) Women with earned income	Same as in the case of men.	Same as in the case of men.
(2) Women with unearned income attracting income-tax or with sizeable personal properties likely to attract Estate Duty.	Do.	Equal to 7 times her own average assessed income for the last 3 years but not exceeding the insurance cover on husband's life or Rs. 5,00,000 whichever lower. For Estate Duty purposes upto the amount of estimated Estate Duty.
(3) Women not covered by (1) and (2)	Extra Rs. 3%	<p>(a) Married Women : Not exceeding $\frac{3}{4}$ ths of husband's insurance in force for full Sum Assured with a maximum of Rs. 2½ lakhs.</p> <p>(b) Single Women : On considerations of insurance needs subject to maximum of Rs. 1,00,000 the actual amount would depend on the financial status, etc. of the family and the father and other insurable members of the family being sufficiently insured.</p> <p>(c) Widows : On considerations of insurance needs.</p>

It will be seen, that LIC charges extra premium to ladies without income on the ground that they fall in a category of persons with little need for insurance and not on grounds that they are female lives. This is justified on actuarial consideration. The practice followed by LIC does not constitute discrimination against female lives but constitutes classification of various categories of risk.

Suggestion No. 10

As stated in the comments under objective No. 2 premium rates are being reviewed from time to time. Similarly, the pattern of

the LIC's investments is also being kept under review. It may be mentioned that the statutory provisions contained in Section 27A of the Insurance Act as applied to the LIC were modified in 1975 in consequence of one such review.

ANNEXURE TO APPENDIX X

Statement showing gross investments made in 1977-78 together with the redemption yield on the various classes of securities/loans.

(Rupees in lakhs)

Description of Investments	Gross Investments from 1-4-77 to 31-3-78	Redemption Yield
	Rs.	%
I. <i>Central Government Securities</i>	223,44.77	6.48
II. <i>State Government Securities</i>	55,62.96	6.07
III. <i>Other Securities guaranteed by Government</i>		
(a) Debentures of Co-op. Land Dev. Banks	22,72.55	6.40
(b) Bonds of State Electricity Boards	41,95.04	6.37
(c) Bonds & Shares of Financial Corpns.	17,85.16	6.31
(d) Municipal & Port Trust Securities	1,55.98	9.03
(e) Other Approved Securities	1,24.60	6.24
(f) Shares & Debentures of Cos. being Approved Securities	5,48.13	6.47
(g) Fixed Deposits with Financial Corpn.		..
	90,81.46	6.42
IV. <i>Loans & Fixed Deposits to and or Guaranteed by government :</i>		
(a) HOUSING LOANS TO :		
(1) State Governments	20,80.00	8.00
(2) Apex Co-op. Housing Fin. Societies	45,20.00	8.50
(3) Housing Boards/DDA
(b) Loans for Water Supply and Sewerage Schemes	30,34.84	8.53
(c) Loans to Industrial Estates	66.90	8.50
(d) Fixed Deposits	5.92	10.00
	97.07.66	8.48

(Rupees in Lakhs)

Description of Investments	Gross Investments from 1-4-77 to 31-3-78	Redemption Yield
	Rs.	%
V. Other Loans Including Loans in Private Sector		
(a) Loans to HUDCO	7,00.00	10.50
(b) Loans to Sugar Co-operatives	6,35.00	11.18
(c) Loans to State Electricity Boards	106,36.00	11.00
(d) Loans to Industrial Dev. Corps.		..
(e) Loans against Promissory Notes		
(f) Loans to Improvement Trusts		
(g) Loans to Co-op. Spg. Mills		
	119,71.00	10.98
VI. Private Sector :		
(a) Loans to Companies	26,36.52	11.09
(b) Debentures	5,80.07	10.90
(c) Preference Shares : New	71.66	Nil
Rights	7.84	11.00
Others	21.82	11.16
(d) Ordinary Shares : New	92.84	
Rights	2,27.86	
Others	6,91.93	
(e) Participation Certificates	79,94.00	12.00
	123,24.54	11.36
	709.92.39	8.31

APPENDIX XI

(See para 8.1 of the Report)

[Petition No. 26 regarding demands of students]

LOK SABHA

PETITION NO. 26

(Presented to Lok Sabha on 7-3-1979)

[Considered by the Committee on Petitions, Lok Sabha, at their sitting held on the 6th April, 1979, and circulated in pursuance of the Committee's direction under Rule 307 of the Rules of Procedure and Conduct of Business in Lok Sabha.]

To

LOK SABHA,
NEW DELHI.

The humble petition of Shri Bal Apte, President and Shri Mahesh Sharma, General Secretary, Akhil Bharatiya Vidyarthi Parishad, and others.

Sheweth

The Akhil Bharatiya Vidyarthi Parishad had submitted a National Charter of Students' Demands to the Prime Minister, Education Minister and other representatives to urge for speedy implementation of some specific issues related to right direction and due priority for education in national planning and some other important topics.

In this National Charter of Students' Demands, it was stressed upon that:—

The task of Educational Reform must be given high priority in national developmental planning, well-organised and co-ordinated efforts be made on both governmental and the non-governmental levels, minimum 10 per cent of the plan-expenditure in Central Budget be spent on education.

There must be wide changes in content of the education to link it with our national values and aspirations, well planned attempts are required to vocationalise the education.

A rational structure of educational administration at all levels should be developed to make it autonomous, decentralised and democratic as well as clean and efficient, "National Education Foundation" having high power and autonomy guaranteed by the Constitution must be set up as the supreme administrative authority for the policy-formulation, implementation and coordination on national level.

Increased efforts must be made for equal opportunities for all the sections of the society and the present defective form of public-schools must be abolished.

Effective steps must be taken to end the chaos and anarchy prevailing in educational field.

Besides putting forth some concrete suggestions, in the above context, Akhil Bharatiya Vidyarthi Parishad has also demanded that:—

Wide efforts must be made on all levels against socio-economic inequality.

A nation-wide campaign must be launched against corruption and extravagancy in public life and administration and this must start strictly from above.

Effective steps must be taken up to make the democratic set up real and strong and to ensure proper participation of the common man in it, voting right at 18 years.

National development planning and the education should be given a rural-orientation.

Wide efforts for social service and reconstruction must be taken up in the hands on war-level and the academic community be involved in this national campaign as a part of the curriculum.

Accordingly your petitioners pray that there should be a discussion in the Parliament on the above important issues as soon as possible and the Government should be given appropriate direction. The Parliament is the most effective instrument for the expression of the national aspirations. We hope and believe that

Parliament will do justice to the aspirations of the student community of the country.

And your petitioners as in duty bound will ever pray.

Name of the petitioner	Address	Signature/ Thumb Impression
1. Shri Bal Apte	President, Akhil Bharatiya Vidyarthi Parishad.	Sd/-
2. Shri Mahesh Sharma and others	General Secretary, Akhil Bharatiya Vidyarthi Parishad, 3, Marble Arch, Senapati Bapat Marg, Mahim, Bombay-400016.	Sd/-

Countersigned by : Vijay Kumar Malhotra, M.P.
Ramji Singh, M.P.
R. K. Mhalgi, M.P.

APPENDIX XII ..

(See para 9.1 of the Report)

[Petition No. 27 regarding grievances and demands of agricultural workers]

LOK SABHA

PETITION NO. 27

(Presented to Lok Sabha on 21-3-1979)

[Considered by the Committee on Petitions, Lok Sabha, at their sitting held on the 6th April, 1979, and circulated in pursuance of the Committee's direction under Rule 307 of the Rules of Procedure and Conduct of Business in Lok Sabha.]

To

LOK SABHA
NEW DELHI

The humble petition of Shri G. Yallamanda Reddy, President and Shri R. Nallakannu, Shri Kesav Sachan, Secretaries and Shri Jamna Verma, General Council Member respectively of Bharatiya Khet Mazdoor Union on behalf of millions of agricultural workers of India.

Sheweth

The agricultural workers who constitute more than one-fourth of the total work force and one-third of the rural working people in our country make a vital contribution to the national economy. They provide 42 per cent of the physical labour required in agriculture. Their total number is now more than 50 millions. Despite their vital role in agricultural production and their big contribution to the economy of our country, the agricultural workers continue to be the most exploited and the most downtrodden section of our society. The fruits of development since independence have not percolated down to this vast section of rural workers of our country to any appreciable extent.

The agricultural workers suffer not only from economic exploitation but also from social oppression. The bulk of this come from

harijans, tribals and other weaker sections. The atrocities and violence being perpetrated against the harijans and other weaker sections have created a sense of insecurity among them. Several hundreds of harijans have been murdered in the last two years; their womenfolk subjected to humiliation, dishonour and even rape in several parts of the country and their houses and property destroyed. The acts of atrocities and violence are still continuing.

Most agricultural workers are landless. They are vitally interested in radical land reforms. A considerable number among them were expected to be benefited through distribution of surplus lands as a result of implementation of the land ceiling acts. But the slow and very unsatisfactory progress of implementation of land reforms has largely belied this expectation. On the other hand there have been several incidents in which lands distributed among the harijans and other weaker sections were forcibly taken away from them by landlords and other interested parties. Attempts are still being made to snatch away their lands in several parts of the country as in Khanjhawala village in Delhi.

The minimum wage rates fixed for agricultural workers were woefully low. Even these low wages are not enforced. There is no proper enforcement machinery to implement these wage rates.

At present there is no law to protect the interests of agricultural workers except in Kerala. The proposal to enact a central legislation for them is unduly delayed. No firm decision has yet been taken on the subject.

No serious attempts have been made so far to identify bonded labour in the country. Those who have been freed from bondage have not been properly rehabilitated. There are reports that a number of freed labourers have returned to their former bondage due to lack of alternative source of livelihood for them.

The housing condition of agricultural workers is most deplorable. The bulk of them do not have even a plot to construct houses. The scheme to provide free house-sites to the landless in the villages has not been implemented satisfactorily. Even in States where house-sites have been distributed, there are complaints that many of them have not been given actual possession of the plots. It is also complained that in several places the house-sites allotted to them are under the illegal occupation of landlords and others. Many who have taken possession of the plots do not have the financial means to construct houses.

Unemployment has become an acute problem in the rural area. Agricultural workers get employment only for 150 to 200 days in a year. Growing unemployment and underemployment, low wages and the high level of prices of essential commodities make the life of agricultural workers extremely miserable. These factors compel them to lead a life of utter misery and privation for below the poverty line. Agricultural workers are the poorest among the poor.

The abject poverty among them and the absence of any institutional arrangements to meet their credit requirements throw them into the clutches of repacious money lenders and landlords.

Prompt and effective measures are urgently required to provide the much needed relief to the agricultural workers and to find permanent solution to their problems and difficulties. These measures have become necessary not only to improve the living and working conditions of agricultural workers but also for the efficient growth and development of agriculture.

Accordingly your humble petitioners pray:

That steps may be taken to put an end immediately to act of atrocities and violence against harijans, adivasis, backward castes and other sections of the rural poor;

That steps may be taken to ensure protection to harijans and other weaker sections from violence, intimidation and atrocities;

That all licensed and unlicensed guns of landlords and others may be confiscated in areas which are prone to atrocities;

That the District Collectors|Commissioners and District Police Superintendents may be made responsible to prevent atrocities within their jurisdiction and they may be made answerable to any occurrence of atrocities in areas under their jurisdiction;

That untouchability and all kinds of social discrimination may be wiped out;

That all complaints regarding violence, intimidation and terror on harijans may be vigorously investigated and prompt action taken to bring the offenders to book;

That the special cells set up at the State headquarters under the Chief Ministers for expeditious investigation and action in cases of atrocities may be effectively functioned and the States which have not set up such cells may be asked to do so without delay;

That social boycott of harijans and other weaker sections may be declared a cognizable offence and exemplary punishment may be meted out to the organisers and abettors of such crimes;

That any Government Official found guilty of aiding and abetting crimes against harijans, tribals and backward caste people may be dismissed from service;

That the protection of Civil Rights Act may be implemented in letter and spirit;

That District Level Committees with representatives of Organisations representing harijans, agricultural workers and other weaker sections may be constituted under the District Collectors/Commissioners to discuss and advise on measures for preventing atrocities, and to deal with problems connected with atrocities and social discriminations against harijans and other weaker sections;

That an all party Standing Committee of Parliament with adequate powers to investigate and take action whenever necessary in cases of atrocities against harijans and other weaker sections may be set up;

That the Commission for Scheduled Castes and Scheduled Tribes may also investigate and recommend action on complaints of atrocities and intimidation;

That representatives of mass Organisations like the Bharatiya Khet Mazdoor Union which are committed to fight for the cause of harijans, agricultural workers and other sections of the rural poor may also be included in the Commission;

That free legal aid may be provided to harijans, adivasis and other weaker sections;

That steps may be taken to ensure expeditious implementation of land reform laws;

That immediate steps may be taken to plug the loopholes in the existing land ceiling acts, remove impediments and work out a time-bound programme for implementation of these Acts;

That for proper implementation of land reform laws, Land Reforms Committees vested with statutory, supervisory and executive powers and with adequate representation to all political parties and mass Organisations committed to radical land reforms may be constituted at all levels from the Centre to the village and the decisions of such Committees may be barred from the review of judiciary under any pretext;

That the proposals to amend the land ceiling Acts in a reactionary direction by some States may not be permitted under any circumstances;

That steps may be taken to distribute all Government waste lands, namesake forest lands and reclaimed desert lands in the newly irrigated areas and surplus Gram Sabha lands among agricultural workers and poor peasants.

That action may be taken to stop eviction of sharecroppers and other tenants and their rights over the lands under their cultivating possession may be recognised;

That action may be taken to safeguard the interests of poor peasants whose lands have been illegally alienated by moneylenders and others;

That special efforts may be made to restore the alienated tribal lands to their legitimate owners;

That steps may be taken to provide constitutional and legal protection to land reforms laws so as to prevent judicial review of these laws which often results in stalling the implementation under pretext of issues of fundamental rights, of discrimination, arbitrariness of definition, classification of land, compensation under personal law and other legal grounds which the Chief Ministers' Conference has categorised;

That steps may be taken to streamline the administrative machinery and to mobilise such administrative personal who are sincere about implementation of land reform;

That steps may be taken to punish the corrupt officials who help landlords by tempering with the records through false entries and commit other frauds against land reform laws;

That steps may be taken to prevent police interference in favour of landlords in the matter of implementation of land reforms;

That agricultural workers' organisations may be fully associated with the formulation and implementation of rural development programmes;

That in order to ensure effective implementation of statutory minimum wages for agricultural workers and to deal with problems connected with industrial relations in agricultural sector, separate labour departments may be set up in the States and at the Centre;

That provision may be made to pay compensation to workers when they are involved in accidents;

That the principle of equal wage for equal work may be enforced in the agricultural sector;

That immediate upward revision may be made in States where the existing wage rates are very low;

That higher wage rates may be fixed to workers employed in modern farms and security of employment, employment allowance during slack season, provident fund benefits, workmens' compensation etc., may be guaranteed to all agricultural workers employed under these farms;

That higher wage rates may be fixed for farm servants who are employed for the whole year and also to attached labour;

That for the purpose of revising the minimum wages of agricultural workers, wage revision tribunals with adequate representation to agricultural workers' organisations may be formed and provision may be made to increase the wages of agricultural workers with the rise in prices;

That the proposed central legislation to safeguard the interests of agricultural workers on the lines of the Kerala Agricultural Workers' Act may be brought forward without any further delay;

That all agricultural workers may be provided with free house-sites and financial grants to construct houses;

That all those harijans, backward castes and people belonging to other castes who have no homesteads of their own may be given house-sites and financial assistance;

That in States where consolidation of holdings is taking place, care may be taken to identify landless people and suitable plots may be allotted to them in compact areas for construction of houses;

That a massive countrywide scheme may be taken up on a priority basis to provide house-sites to landless in the countryside and to construct small houses for them;

That those house-sites allotted to landless but which are under the illegal occupation of landlords and others may be vacated and handed over to the allottees;

That employment guarantee schemes with notified minimum wages for agricultural workers may be introduced throughout the country and the Centre and the States may bring forward suitable legislation for this purpose;

That bonded labour, usury and other forms of rural exploitation may immediately be done away with;

That all outstanding debts against harijans, adivasis and other sections of the rural poor may be cancelled forthwith;

That countrywide credit facilities may be arranged in a massive way for the agricultural workers and other rural poor; and

That vigorous countrywide efforts may be made to identify, liberate and rehabilitate the bonded labour and that the freed bonded Sabha of the feelings of the people in this connection and provide their rehabilitation;

And your petitioners as in duty bound will ever pray.

Name of petitioners	Address	Signature or thumb impression
1. Shri G. Yallamanda Reddy	Ajoy Bhavan Kotla Road, New Delhi-2	Sd/-
2. Shri Jamna Verma	Do.	Sd/-
3. Shri R. Nallakannu	Do.	Sd/-
4. Shri Keshav Sachan	Do.	Sd/-

Countersigned by : P. K. Kodiyan, M.P.
M. N. Govindan Nair, M.P.

APPENDIX XIII

(See para 10.1 of the Report)

[Petition No. 28 *re.* increase of prices due to Budget proposals]*

LOK SABHA

PETITION No. 28

(Presented to Lok Sabha on 22-3-1979)

[Considered by the Committee on Petitions, Lok Sabha, at their sitting held on the 6th April, 1979 and circulated in pursuance of the Committee's direction under Rule 307 of the Rules of Procedure and Conduct of Business in Lok Sabha.]

To

LOK SABHA

NEW DELHI.

The humble petition of Shrimati Tajdar Babar, General Secretary, Delhi Pradesh Congress Committee (I) and others on behalf of housewives of Delhi.

SHEWETH

That the budget proposals of the Janata Party Government, small and insignificant mercies announced by the Finance Minister as so called concessions notwithstanding, have crushed the middle, lower middle and poor classes in both the rural and urban areas.

That the prices of almost all commodities have shown a record increase ranging between at least ten to fifty per cent.

That Government and other employees, mill workers and other working classes, small traders, farmers and all other sections of people with fixed and meagre incomes have been hit very very hard by these cruel proposals.

That the job of the housewife to keep her kitchen and home going has become impossible.

That prices have risen around even before the proposals are approved and the Government seems to have become quite insensitive to the miseries and hardships of the people.

Accordingly your petitioners pray to kindly inform the Lok Sabha of the feelings of the people in this connection and provide

a substantial relief to the people all over the country through withdrawal of the record burdens placed on the people through a budget with a record taxation, record deficit and record increase in prices at one time.

And your petitioners as in duty bound will ever pray.

Name of petitioners	Address	Signature or thumb impression
1. Smt. Tajdar Babar	General Secretary, Delhi Pradesh Congress Committee, Congress Bhawan, Padam Singh Road, Reghar Pura, Karol Bagh, New Delhi-110005	Sd/-
2. Smt. Vimal Negi	Do.	Sd/-
3. Smt. Laxmi Ramyani	Do.	Sd/-
4. Smt. Kaushalya Malick	Do.	Sd/-

Countersigned by : Mohsina Kidwai, M.P.

APPENDIX XIV ..

(See para 11.2 of the Report)

[Representation from the President, National Federation of Indian Railwaymen, New Delhi, re. Demands of Railwaymen]

NATIONAL FEDERATION OF INDIAN RAILWAYMEN

166/1, PUNCHKUAN ROAD,

NEW DELHI-1

M E M O R I A L

Submitted to

HON'BLE SPEAKER, LOK SABHA, NEW DELHI

ON TUESDAY, 29TH NOVEMBER, 1977

By the

NATIONAL FEDERATION OF INDIAN RAILWAYMEN
ON ITS CHARTER OF DEMANDS

1. BONUS FOR RAILWAYMEN

The Government of India gave an assurance to the working class early in the year that Bonus will be treated as a deferred wage and this concept would soon be given concrete shape in the Bonus Act under review. Reminding the Government of this assurance, the Working Committee of the National Federation of Indian Railwaymen (NFIR) at its meeting held on 7th April, 1977 reiterated that discrimination presently being exercised against the railwaymen and other employees in the Government industrial sector in respect of Bonus should be done away with and Bonus should be paid to all the railwaymen and other industrial workers of the Government on par with those employed in the private and public sector. Reiterating the Working Committee's resolution the NFIR General Council at its meeting held in Patna on 31st July, 1977 emphasised that any policy of discrimination against railwaymen in the matter of Bonus shall not be acceptable to the NFIR. The General Council further stressed that the railwaymen like other workers in the private and public sector should be allowed every year a minimum Bonus of 8.33 per cent.

When the question of payment of Bonus to railwaymen was raised by the NFIR delegation at its meeting with the Railway Minister, Prof. Madhu Dandavate, on 12th August, 1977 the Minister assured that he would soon initiate discussions on this and other demands of the NFIR.

The Government of India announced on 18th August, 1977 its decision to restore 3.33 per cent. Bonus to the workers in the private and public sectors. The decision, however, again kept the railwaymen and other employees in the Departmental undertakings outside the scope of the Bonus Scheme. The NFIR holds that this decision perpetuating discrimination against the railwaymen in the matter of Bonus, is highly unfair and unjust besides being contrary to the assurances given by the Government.

Railwaymen received a rude shock when the Railway Minister, Prof. Madhu Dandavate announced in Bombay on 29th August, 1977 that the question of Bonus did not arise with regard to railwaymen as they were not eligible as such. However, he declared that he would give to the railwaymen cash reward for their creditable performance. The NFIR sharply reacted to the Minister's turning down the claim of railwaymen for Bonus and reiterated that railwaymen would continue their struggle till their demand was conceded. The statement of the Prime Minister, Shri Morarji Desai, in New Delhi on 10th October, 1977 that there was no question of payment of Bonus to railwaymen has created further frustration amongst the railwaymen.

During the discussions held with the NFIR on 12th October, 1977 on the subject, the Railway Minister Prof. Madhu Dandavate told the NFIR that the Boothalingam Study Group on Wages, Incomes and Prices would take into consideration the Bonus issue also. This only meant an inordinate postponement, if not denial of the consideration of payment of Bonus for railwaymen. The NFIR is not prepared to accept any postponement of the consideration of the issue of Bonus, much less its denial. So far as the railwaymen are concerned the question is not merely regarding the quantum of Bonus, but basically of discrimination being deliberately exercised against a section of the working class, namely for railwaymen and other industrial employees of the Government. On the basis of the very principle adopted by the Government in the matter of payment of Bonus to employees in the private and public sector, the railwaymen have a rightful and undeniable claim for payment of minimum Bonus.

From the point of view, of doing economic and social justice to the railwaymen, the NFIR would urge upon the Government with

all the emphasis at its command not to postpone the issue any further and declare that minimum Bonus as applicable in the case of private and public sectors shall also be applicable to the railwaymen and other industrial employees of the Government.

2. REVISION OF MINIMUM WAGE

The minimum wage prevalent in the Indian Railways should be suitably revised and raised, carrying the benefit of such revision to the other pay scales as well on the basis of the need-based wage formula.

3. Dearness Allowance Formula

Need for a Revision

The Dearness Allowance Formula evolved by the Second Pay Commission that any increase in the dearness allowance should be considered only when there was 10 points rise over a period of 12 months, worked on the employees very unfairly. This retrograde formula unjustifiably denied the railwaymen proper compensation against the rise in prices and helped only in bringing down the standard of living by the ever-increasing gap between the money wages and the real wages. If it was the intention that the Government employees should be prepared to take up the consequences of a small or short rise in prices, further continuous rise in the prices and consequent fall in the standard of living of the employees exposes the futility of this concept.

The Dass Body (1964) who dealt with this question at the instance of the NFIR had the following comments to make on the II Pay Commission's D.A. Formula:—

- (i) In the context of the rise in prices since 1958, the formula has not fulfilled the primary purpose; it has worked unfairly on the employees in two ways.
- (ii) The formula needs further examination with regard to either or both the factors involved—time factor and the number of points factor.
- (iii) Some modification of the formula is necessary, as long as prices do not stabilise, and a *via media* has to be found with a flexibility which will admit of special treatment in an abnormal situation.

The National Labour Commission (1969), also noted that a revision of the II Pay Commission formula was called for and hence recommended that a 5 point slab with reference to consumer price

index with base 1960, would be appropriate for adjustment in dearness allowance.

The III Pay Commission, however, continued the same formula with reference to Consumer Price Index (1960=100) and additional D.A. instalment was payable on a 12-monthly rise of 8 points. Since then the railwaymen have been fighting against this retrograde D.A. formula, which has brought extreme hardship on the railwaymen and other Central Government employees.

The III Pay Commission formula which already stands heavily loaded against the employees has also lost its relevance on account of exorbitantly high rise in the cost of living since the recommendations of the Commission.

While point to point adjustment of the D.A. according to the rise and fall of the consumer price index would at least ensure some sort of stabilisation of the real wages, the NFIR, taking various factors into consideration, has suggested that the D.A. formula should be revised so as to determine the rates of dearness allowance after every six months or after a rise of 4 points in the consumer price index, whichever is earlier. This would go to mitigate the hardship to the employees at least to a little extent.

Automatic Adjustment

Upto the 12-monthly average of 272 points, there was automatic adjustment of D.A. on the basis of the Pay Commission formula. The automatic adjustment has been given a go-by in the case of further rise and every instalment that has been granted since then has been fought for by the employees. This attitude of the Government, in the context of the continuous rise in prices and the Government's failure to control and bring down the prices, has brought in only restlessness amongst the employees because of the steady fall in their standard of living and the uncertainty of any compensation against the price-rise. Therefore, the NFIR would also like to emphasise that the revised D.A. formula, as suggested above, should automatically be implemented to work at the prescribed time over six months or after rise of every 4 points, whichever is earlier.

Percentage of Neutralisation

During the negotiations with the staff side regarding the implementation of the III Pay Commission Report, the Government had accepted a level of neutralisation allowing 4 per cent dearness allowance at the rate of the basic salaries subject to a minimum amount for every instalment due in the case of those drawing basic pay of

below Rs. 300 per month and 3 per cent in the case of those drawing between Rs. 300 and Rs. 900 p.m. This position has also now been adversely affected and instalments of dearness allowance due beyond 272 points have been paid at reduced rate of neutralisation, namely $3\frac{1}{2}$ per cent in the case of former category and $2\frac{1}{2}$ per cent in the case of latter category. This position should be rectified and the neutralisation as was agreed to initially with the staff side should be introduced.

4. *Merger of D.A. with Pay*

The revised pay scales were based on the Consumer Price Index of 200 points (1960=100). The III Pay Commission could not visualise such enormous, rapid and continuous rise in the price level.

While recommending its Dearness Allowance formula, the III Pay Commission had also recommended that should the price level rise above 12-monthly average of 272 points (1960=100), the Government should review the position and decide whether the D.A. Scheme should be extended further or the pay scales themselves should be revised. The latest available all-India Consumer Price Index stands at 327 points (August 1977), and the 12-monthly average stands at 314 points. According to the Pay Commission's recommendations the whole position regarding the Dearness Allowance and pay scales should have been reviewed when the price level rose above 12 monthly average of 272 points. The prices have gone on increasing and there is no hope of any fall in the near future. Keeping dearness allowance as a separate entity under such circumstances has been adversely affecting the interests of the employees in the matter of retirement benefits and putting the employees to recurring financial loss in several other respects. The NFIR is convinced that in order to protect the interests of the employees and save them from the recurring financial losses it has become imminently necessary to merge the dearness allowance with pay for all purposes at least at the level of 12-monthly average of 272 points at the cost of living index.

5. *Hours of Employment*

Implementation of Miabhoy Tribunal Award

The Railway Labour Tribunal headed by Shri N. M. Miabhoy former Chief Justice, Gujarat High Court, was appointed in 1969 by agreement between the NFIR and the Railway Board to consider the demands of the NFIR for change in the hours of Employment Regulations including reduction in the working hours, increase in the rates of overtime payment, Revision of Classification, etc. etc. The

recommendations of the Tribunal, which were given in July, 1972, were accepted in toto by the Government early in 1974. A statement to that effect was made in the Parliament by the then Minister for Railways. However, implementation of the recommendations has been highly unsatisfactory. NFIR has repeatedly expressed its dissatisfaction over the indifferent, halting and every wrong implementation of the recommendations of the Tribunal. Summing up the situation, the NFIR General Body at its meeting held in June 1976, observed:

“While the Railway Board have yet to issue orders on many of the important aspects, whatever the orders that have been issued go to distort the decisions which have been solemnly accepted. Decisions are being drawn. Preparatory and complementary hours of work are being imposed to the maximum even where there is no scope for such work. Unrealistic spread-overs are being introduced. Job analysis is conducted in a highly defective and high-handed manner and against the procedures recommended by the Tribunal. The employees stand greatly frustrated at the way in which the award is being handled.”

The situation still continues to be the same.

Preparatory and Complementary Work

According to the Tribunal's recommendations, Preparatory and Complementary work is an additive to the daily work and as such it should be paid for specially for the reasons that such work has not been taken into account while determining the pay scales of the employees. Earlier Preparatory and Complementary work had never been an additive in the scheme of Hours of Employment on the Railways. As such the period involved in Preparatory and Complementary work, should be adequately paid for.

Need to amend the Indian Railways Act

The statutory limits on the hours of employment as contained in Sec. 71 of the Indian Railways Act were introduced to fall in line with the Rajadhyaksha Award. The Railway Labour Tribunal, 1969, headed by Justice N. M. Miabhoy has totally altered the concept of the Rajadhyaksha Award. The Miabhoy Tribunal has accepted as standard an 8-hour day and 48-hour week. Regarding Essentially Intermittent staff also a basis change has been introduced. Unless these concepts are incorporated in the Indian Railways Act, the statutory limits would continue to be those as decided by the Rajadhyaksha Award, thus putting to naught the recommendations of the

Miabhoy Tribunal, which have been accepted in *toto* by the Government. It has thus become necessary to bring in suitable amendments to Sec. 71 reducing the statutory limits of the hours of employment, increasing the rate of overtime payments etc.

Averaging the Hours of Employment

In respect of the employees classified presently as Intensive and Continuous (who are not already brought on daily averaging), averaging of hours of employment for the purpose of payment of overtime, under the extant rules, is to be done over a period of two weeks. The NFIR has always stressed that the maximum limit for the purpose of averaging should not go beyond one week in respect of any of the employees as this would unjustifiably deny the employees their rightful dues. The NFIR also feels that to be in line with the national law and practice the averaging in respect of railwaymen should not go in any case beyond one week barring those already covered under daily averaging.

To sum up, the demands of NFIR in respect of Hours of Employment Regulations, are:—

- (1) The recommendations of the RLT, 1969 which have been accepted in *toto*, should be implemented in letter and spirit.
- (2) All unilateral orders issued contrary to the recommendations of the Tribunal should be withdrawn.
- (3) All the orders which in effect have nullified the effect of the recommendations made by the Tribunal, should be withdrawn.
- (4) Steps should be taken to implement in letter and spirit the various recommendations which still remain unimplemented.
- (5) The period involved in the Preparatory and Complementary work should be paid for.
- (6) The Indian Railways Act should be amended bringing down the statutory limits of hours of work.
- (7) In respect of employees belonging to all categories who have been classified as Intensive and Continuous and except all those who are already covered by daily averaging of hours over a period for purposes of payment of overtime etc., should be accepted as one week.

6. *Employment of Railwaymen's Children in Railway Services*

On account of the inherent nature of railway working railwaymen's children suffer extreme handicaps in the matter of their education. Their sufferings have become further accentuated on account of the increasing competition in the employment market.

Keeping the above handicaps and other factors in view, the NFIR has all along been stressing on the desirability of employing sons or daughters of railwaymen in Railway Services.

Born and brought up in the railway atmosphere, railwaymen's children have good background of railway working. Developing traditional identity with the industry, employment of railwaymen's children in railway services would give both the railwaymen and their children a sense of belonging to the industry which for all times shall form the greatest impetus to better discipline, higher production and better efficiency.

Most of the Railway Administrations all over the world give priority to the children and family members of railwaymen while recruiting new staff. Similar practices prevail in the case of many major industries in this country also.

The NFIR hence urges upon the Government of India to accept in principle and implement the same as a matter of policy that at least one son or daughter of every railway employee should be employed on the Indian Railways.

7. PRICE RISE

The NFIR feels greatly concerned at the alarming price rise. The concern is all the more on account of the pronounced rise in the price of pulses, edible oils, onions, tea, vegetables, fuel and other essential articles of daily consumption by the lower and middle class workers. Continuous rise in prices and a hopelessly inadequate D.A. Formula have lowered the standards of living of the employees and created enormous economic hardships. The NFIR hence demands:

1. The rise in prices of pulses, edible oils, onions, tea, vegetables, and other essential articles of daily consumption by the poor and middle class should be immediately arrested and brought down to the reasonable level.
2. The Government should take stern measures to arrest the price rise and control the factors leading to the price rise.

3. As a lasting remedy to meet with the situation of high and continuously rising prices subsidised grain shops should be established.

8. PAYMENT FOR THE PERIOD OF ABSENCE IN MAY, 1974 STRIKE

The NFIR has welcomed the decision of the Government to reinstate unconditionally the remaining 600 railway employees who had been removed, discharged or dismissed as a sequel to their participation in the May, 1974 strike. The period of their absence has been treated as duty and they have also been given the monetary benefits for the period of absence. They have also been allowed the promotional benefits as though they were on duty. While welcoming the above decision, the NFIR urged that financial and other benefits accruing to the staff from the above decision should be extended to all those absentees numbering about 5 lakhs, including those who had been forced to remain absent on account of intimidation and coercion. In the case of these employees though the break in service has been condoned, the period of their absence has been treated as *dies non*. This has directly resulted in not only loss of wages for the period of absence but also other recurring economic losses.

On the basis of the very principles underlying the unconditional reinstatement and payment of back wages in respect of 600 odd reinstated employees, the NFIR urges that the period of absence of all the employees as a sequel to May, 1974 strike should be treated as duty and paid for, and other encumbrances suffered as a result of break in service should be annulled.

9. ECONOMY MEASURES/RETRENCHMENT OF STAFF

The NFIR is greatly concerned over the lopsided and unrealistic economy measures that are being carried on the Railways since some time past which have resulted in great hardships to the staff. To quote only a few examples these economy measures have resulted in:—

1. Non-filling up of regular vacancies.
2. Non-implementation of decisions taken with organised labour as a result of negotiations.
3. Non-provision of prescribed percentage of Leave Reserves.
4. Non-provision of Rest Givers in a number of categories.
5. Matching surrenders of un-related working posts which were created on worth of charge for creation of higher grade posts.

6. Failure to maintain staff quarters and even in doing periodical white-washing.
- (7) Huge accumulation and piling up of non-payment and arrears cases.
8. Denial of the benefits of the Railway Labour Tribunal, 1969 (Miabhoy Tribunal).
9. Non-provision of increased staff even when justified and consequent increase in workload.
10. Non-payment of overtime when it has accrued.
11. Non-provision of proper yard-sticks for provision of staff.

The various explanations given by the Government have not been able to allay the apprehensions in the minds of the railwaymen regarding 10 per cent retrenchment amongst the staff. These apprehensions have further been confirmed by various aspects of manpower policy being followed by the Railway Ministry. Looking to the labour intensive nature of the industry and the stern economy measures being undertaken in respect of staff strength since 1962 there is need for further augmentation, and not for any reduction, in the staff, lest the industrial efficiency of the workers is affected to the detriment of the workers and the industry at large. The NFIR hence urges that steps already taken for reduction in staff strength should be withdrawn and any schemes of retrenchment and reduction totally abandoned.

The NFIR calls upon the Railway Ministry to take concrete steps without any further delay whatsoever for rectifying the matters as enumerated above. The Federation stresses that all economic measures affecting the labour, directly or indirectly, should be undertaken only after consultation and in agreement with the organised labour.

10. RESTRUCTURING OF RAILWAY BOARD | RAILWAY ADMINISTRATION

The NFIR feels that there is need for the restructuring of not only the Railway Board but the railway administrative machinery as a whole. The NFIR at the same time holds that the restructuring should be qualitative and aimed at further increasing the efficacy of the administration in the better management of the Indian Railway system. This can be done only by breaking away from the traditional approach followed since the colonial days. Participative management has been one of the corner stones of enlightened industrial administration. The spirit of participative

management bears special significance particularly in respect of industries like the Indian Railways.

Taking all these factors into consideration the NFIR demands—

- (i) Recognised Federations should not only be consulted but taken into full confidence before taking final decision in respect of administrative arrangements of the Indian Railways;
- (ii) recognised labour should be given effective voice in the determination of the policy and programmes; and
- (iii) Indian Railways should be converted into an Autonomous Corporation.