

# COMMITTEE ON SUBORDINATE LEGISLATION

(NINTH LOK SABHA)  
(1990-91)

## SECOND REPORT

*[Presented on 2-1-1991]*



LOK SABHA SECRETARIAT  
NEW DELHI

*November, 1990/Agrahayana, 1912(Saka)*

*Price : Rs 14.00*

LOK SABHA SECRETARIAT

**CORRIGENDA TO SECOND REPORT OF THE COMMITTEE  
ON SUBORDINATE LEGISLATION (NINTH LOK SABHA)  
PRESENTED ON 2.1.1991**

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COMPOSITION OF THE COMMITTEE  
ON SUBORDINATE LEGISLATION  
(1990-91)

1. Shri G.M. Lodha —*Chairman*
2. Shri Chhavi Ram Argal
3. Shri H.K.L. Bhagat
4. Shri Prakash Koko Brahmhatt
5. Shri Mohanbhai Sanjibhai Dalkar
6. Shri Giridhar Gomango
7. Shri Syed Masudal Hossain
- @8. Shri A. Jayamohan
9. Shri Balgopal Mishra
- \*10. Shri Ravi Narayan Pani
11. Shri Uttamrao Patil
12. Shri Vijay Bhaskar Reddy
13. Shri Ebrahim Sulaiman Sait
- \*\*14. Shri N. Sundararaj
15. Shri Chhotey Singh Yadav

SECRETARIAT

Shri S.C. Gupta —*Joint Secretary*

Shri K.K. Sharma—*Director*

Shri Ram Kumar —*Assistant Director*

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\* Nominated w.e.f. 16-7-90 Vice Shri Upendra Nath Verma resigned.

\*\* Nominated w.e.f. 8-8-90 Vice Shri Kalpnath Rai resigned.

@ Nominated w.e.f. 25-9-90 Vice Shri M. Arunachalam resigned.

(iii)

## I N T R O D U C T I O N

I, the Chairman of the Committee on Subordinate Legislation, having been authorised by the Committee to present the Report on their behalf, present this Second Report on regulations framed under the Industrial Finance Corporation Act, 1948.

2. The matters covered by this Report were considered by the Committee at their sittings held on 10 and 11 July, 24 and 25 September, 1990.

3. The Report was considered and adopted by the Committee at their sitting held on 29 November, 1990. The Minutes of the sittings relevant to the Report are appended to it.

4. For facility of reference and convenience, recommendations/observations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix I to the Report.

NEW DELHI;  
*November, 1990*

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*Agrahayana, 1912 (Saka)*

G.M. LODHA  
Chairman,  
*Committee on Subordinate Legislation.*

# R E P O R T

## I

### THE INDUSTRIAL FINANCE CORPORATION OF INDIA GENERAL REGULATIONS, 1982

#### (A)

Sub-regulation (i) of regulation 8 of the Industrial Finance Corporation of India General Regulations, 1982 reads as under:—

“8. *Inspection of Share Register* :— (i) The Share Register prescribed by Regulation 6 except when closed under the provisions of these Regulations, shall be open to inspection of any share-holder free of charge at the Head office of the Corporation during business hours subject to prior intimation to the Corporation and such *reasonable restrictions* as the Corporation may impose, but so that not less than two hours in each day may be allowed for inspection.”

2. The Ministry of Finance were requested to state whether they had any objection in defining the term ‘reasonable restrictions’ appearing in this sub-regulation inasmuch as it was likely to be interpreted differently by different persons. In reply, the Ministry stated that “IFCI has been requested to examine suitable modifications in this regulation to make it more specific”.

3. **The Committee note that the Ministry of Finance have requested the Industrial Finance Corporation of India to make suitable modifications to define the term ‘reasonable restrictions’ used in sub-regulation (i) of regulation 8 of the Industrial Finance Corporation of India General Regulations to make it more specific. They desire that the Ministry should take steps to ensure expeditious action in the matter.**

4. Regulation 19 of the Industrial Finance Corporation of India General Regulations, 1982 reads as under:—

“19. *Notice convening a General Meeting* :— A notice convening any general meeting shall be signed by the Chairman or Executive Director or General Manager of the Corporation and shall be published in the Gazette of India at least 30 days before such meeting and *in such other manner* as the Board may direct.”

5. The Ministry of Finance were asked to state whether they had any objection in amending suitably the term ‘in such other manner’ in order

to make it more specific and self-contained. The Ministry, in reply, stated as under:—

“It is clarified that the words ‘in such other manner’ refers to the mode of publicity and/or communication which the Board of Directors of the Corporation in its wisdom considers necessary. It is further mentioned that the notice convening General Meeting, besides being published in the Gazette of India, as provided under the Regulations, is also sent to each share-holder under postal certificate and also published in few leading English/Hindi Dailies having wide circulation.”

**6. The Committee note that the notice convening general meeting, besides being published in the Gazette of India, is being despatched to each share-holder under postal certificate and also published in few leading English/Hindi Dailies having wide circulation. The Committee desire that the practice followed in this regard should be reflected in the rules in order to make to rules self-contained and for the information of all concerned.**

## II

### THE INDUSTRIAL FINANCE CORPORATION OF INDIA STAFF REGULATIONS, 1974

#### (A)

7. Regulation 11 of the Industrial Finance Corporation of India (Staff) Regulations, 1974 reads as under:—

“11. *Certificate of Health*:— No person shall be appointed to the service of the Corporation unless he has been certified by a medical authority acceptable to the Corporation to be of sound constitution and medically fit. The fees payable for the medical test shall be reimbursed by the Corporation at such rates as may be decided by the Corporation from time to time.”

8. The Ministry of Finance were asked to state whether there was any objection in getting the persons medically examined in any Government Hospital and whether certificates issued by these hospitals were acceptable to the Corporation. The Ministry, in reply, stated as under:—

“The Industrial Finance Corporation of India had informed that a fitness certificate from a Government hospital is acceptable to the Corporation from appointees to the service of the Corporation.”

9. The Committee note that Industrial Finance Corporation of India accepts fitness certificate from a Government Hospital also for appointment in the Corporation. The Committee feel that it would be better if the position is made clear by making suitable amendment in the rules.

10. Regulations 19 and 20 of the Industrial Finance Corporation of India (Staff) Regulations, 1974 provide as under:—

“ 19 *Other Employees*.— Employees, other than employees in Class I and II who are initially appointed on a temporary basis, may be considered for permanent absorption in the Corporation's service, after they have put in a minimum of one year's service subject to satisfactory reports. The Corporation shall, however, have the right to extend the period of temporary service upto three years.

20 *Power to extend period of probation*.— Notwithstanding anything contained in Regulation 18, the period of probation of an employee in Class I & II may be extended at the discretion of the authority competent to appoint, but in no case, may this period exceed three years.”





- (4) Where a penalty of dismissal or removal from service imposed upon an employee is set aside or declared or rendered void in consequence of or by a decision of a court of law and the competent authority, on consideration of the circumstances of the case, decides to hold a further enquiry, against him on the allegations on which the penalty of dismissal or removal was originally imposed, the employee shall be deemed to have been placed under suspension by the competent authority, from the date of the original order of dismissal or removal and shall continue to remain under suspension until further orders.

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17. The Ministry were asked to clarify (i) the circumstances and the reasons for continuance of suspension of an employee even though penalty of dismissal or removal from service of the Corporation was set aside on appeal or review, and (ii) the reasons and circumstances for continuance of suspension of an employee even in cases where penalty of dismissal or removal was set aside or declared void by a decision of court of law. They were also asked to state the circumstances under which the competent authority could hold further enquiry in the matter even after a decision of court of law.

18. The Ministry, in reply, stated as under:-

“The above regulations were adopted by IFCI in 1979 on the advice of the Central Vigilance Commission. These provisions are based on the model conduct, discipline and appeal rules drafted by Ministry of Finance, Banking Division and these are similar to rule 10(3) and 10(4) of the Central Civil Services (Classification, Control and Appeal) Rules. In such cases further enquiry may be instituted under regulation 64(A)(3) when dismissal or removal from service, set aside by competent authority on appeal or on review or on technical ground without going into the merit of the case, or when fresh material comes to light, which was not before the concerned authority. Similarly, fresh enquiry may be instituted under regulation 64(A) (4) when penalty of dismissal for removal is set aside by the Court of Law on technical ground without going into the merit of the case or fresh material comes to light which was not before the Court. When further enquiry is ordered in the circumstances, the order of suspension of the employee is deemed to be continuing in force until further orders from the date of original order of dismissal or removal.”

19. The Committee note that the provisions contained in regulation 64(A)(3) and (4) of IFCI (Staff) Regulations are similar to those in rule 10(3) and 10(4) of the Central Civil Services (Classification, Control and Appeal)

**Rules. The Committee desire that the following proviso should also be incorporated in the aforesaid regulation:-**

**“Provided that no such further inquiry shall be ordered unless it is intended to meet a situation where the Court has passed an order purely on technical grounds without going into the merits of the case.”**

### III

## THE MANAGEMENT OF INDUSTRIAL CONCERNS (POWERS AND DUTIES OF DIRECTORS) REGULATIONS, 1957

### (A)

20. Sub-regulation (2) of regulation 3 of the Management of Industrial Concerns (Powers and Duties of Directors) Regulations, 1957 reads as under :—

**“3. Powers of the Directors:—**

\*\*            \*\*            \*\*            \*\*

(2) Without prejudice to the generality of the foregoing power, and save as otherwise provided in the Act or rules made thereunder, and subject to the provisions of these regulations and the control of the Corporation, the Directors shall have power:—

- (a) to pay the costs, charges and expenses incidental to the taking over of the management of the industrial concern by the Corporation;
- (b) to appoint, promote, suspend, fine, reduce, or remove officers and servants of the industrial concern, to grant leave to them, to fix their term of office and to determine powers, duties salaries, allowances and other conditions of service, including the furnishing by them of such security and in such cases as the Directors think fit:

Provided that the power to appoint, reduce or remove—

(i) in the case of the principal executive officer of the industrial concern, shall vest in the Corporation, and

(ii) in the case of any other officer *whose salary exceeds one thousand rupees*, shall be subject to the previous approval of the Corporation;

\*\*            \*\*            \*\*

21. In this connection, the Ministry of Finance were requested to state whether any need was felt in the recent past for an upward revision of

the limit of one thousand rupees of salary which was fixed as far back in 1957. In reply, the Ministry stated as under:—

“The IFCI has indicated that as salary structures have undergone a significant change since the regulations were framed in the year 1957, the limit of Rs. 1,000 provided under the regulations would be reviewed and amended in due course.”

**22. The Committee desire that the necessary amendment to the regulation be effected at an early date.**

(B)

23. Regulation 3(2)(c) of the Management of Industrial Concerns (Powers and Duties of Directors) Regulations, 1957 reads as under:—

**3. “Powers of the Directors:—**

\*\*                      \*\*                      \*\*

(2) Without prejudice to the generality of the foregoing power, and save as otherwise provided in the Act or rules made thereunder, and subject to the provisions of these regulations and the control of the Corporation, the Directors shall have power:—

\*\*                      \*\*                      \*\*

(e) to invest the moneys of the industrial concern, not immediately required for the purpose of carrying on its ordinary business in such securities (not being shares in any industrial concern the management of which has been taken over by the Corporation) and in such manner as may be approved by the Corporation and, with the previous approval of the Corporation, to vary or realise such investments or any of them:—

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24. The Ministry of Finance were requested to state whether any guidelines had been issued in this regard. The Ministry, in reply, stated as under:—

“The Directors of a concern are the right persons to know the requirements of funds and they should apply their wisdom to make investment of surplus funds available at a given time keeping the requirements of the concern. Accordingly, it is felt that it would not be appropriate to fetter their discretion by prescribing any detailed guidelines. However, in order to keep “checks and balances” the regulations have got an inbuilt provisions for obtaining the IFCI’s approval.”

**25. The Committee are not satisfied with the explanation advanced by the Ministry and are of the view that suitable guidelines regarding the type of securities in which the surplus funds should be invested would be of**

**much help to the Directors as well as the Corporation to arrive at a decision in the right direction.**

**(C)**

**26. Regulation 3(2)(j) of the Management of Industrial Concerns (Powers and Duties of Directors) Regulations, 1957 reads as under:—**

**“3. Powers of the Directors.”**

**\*\*                      \*\*                      \*\***

**(2) Without prejudice to the generality of the foregoing power, and save as otherwise provided in the Act or rules made thereunder, and subject to the provisions of these regulations and the control of the Corporation, the Directors shall have power:—**

**(j) to authorise one or more officers to draw, accept, make, endorse, sign execute bills, hundies, notes, cheques, receipts, acknowledgements, acceptances, endorsements, releases, contracts and other documents on behalf of the industrial concern;**

**\*\*                      \*\*                      \*\*\*”**

**27. The Ministry of Finance were requested to state whether it would be possible to specify the minimum rank of the officers who could be so authorised on behalf of the industrial concern. In reply, the Ministry stated as under:—**

**“The IFCI has indicated that the Board of Directors of industrial concerns whose management would be taken over would decide, according to the facts and circumstances prevailing at that time, and delegate powers to such officers in whom they would repose the confidence and trust for carrying out the requisite functions effectively. Moreover, industrial concerns employ officers in different ranks and in different departments and it would be difficult to lay down the requirements of a minimum rank uniformly in all cases.”**

**28. The Committee note that regulation 3(2)(j) of the Management of Industrial Concerns (Powers and Duties of Directors) Regulations, 1957 confers absolute discretion upon the Directors of an industrial concern to authorise officers for discharging multiple financial obligations of varied magnitude in respect of such concern. To obviate any misuse of the unfettered discretion, the Committee consider it necessary, to provide some built-in safeguards in the procedure itself. In case it was not possible to lay down the minimum rank of such officers, the Government would do well by stipulating some sort of minimum requirements like status or salary attached to the posts. The Committee, therefore, urge upon the Government to do some re-thinking and amend the regulations to the desired effect.**

**(D)**

29. Regulation 4(d) of the Management of Industrial Concerns (Powers and Duties of Directors) Regulations, 1957 reads as under:-

“It shall be the duty of the Directors to take all such steps as may be reasonably necessary for the preservation of the property of the industrial concern.”

30. The Ministry of Finance were asked to state whether they had any objection in defining the term ‘reasonably’ suitably or in omitting the same being superfluous. The Ministry, in reply, stated that the IFCI had agreed to delete the word “reasonably”.

31. The Committee desire that the necessary amendment in the regulation may be carried out early.

#### IV

### THE INDUSTRIAL FINANCE CORPORATION OF INDIA EMPLOYEES' PROVIDENT FUND REGULATIONS, 1948

#### (A)

32. The Industrial Finance Corporation of India Employees' Provident Fund Regulations, 1948 did not contain the necessary provisions to indicate the date of their coming into force. Hence, the Ministry of Finance were requested to intimate as to when these regulations were notified in the official Gazette and brought into force. In reply, the Ministry stated as under:-

“The Industrial Finance Corporation of India Employees' Provident Fund Regulations were notified in the Gazette of India Part III dated the 19th February, 1949.”

33. The Committee note that while notifying the Industrial Finance Corporation of India Employees' Provident Fund Regulations, 1948 in the Gazette of India, the date of coming into force of the regulations had not been indicated. They also observe that the year in the short title to these regulations has been indicated as 1948 whereas the regulations were published in the official Gazette dated 19 February, 1949. Ordinarily, the year in the short title should have relevance to its publication in the official Gazette. The Committee, therefore, urge upon the Ministry of Finance to be watchful in this regard in future.

#### (B)

34. The Industrial Finance Corporation of India Employees' Provident Fund Regulations, 1948 were framed as far back as 1949. The Committee enquired whether the regulations were amended at any time after their first publication in 1949. In reply, the Ministry stated that:-

“The IFCI Employees' Provident Fund Regulations have been amended afterwards in 1949, 1951, 1970, 1972 and 1987....”

35. The Committee suggest that it would be worth-while to reprint the regulations in a consolidated form incorporating all the amendments made from time to time for facility of reference by all concerned. They desire the Ministry to do the needful at an early date.

NEW DELHI;  
*November, 1990*  

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*Agrahayana, 1912(Saka)*

G. M. LODHA  
*Chairman,*  
*Committee on Subordinate Legislation.*



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**A P P E N D I X I**

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## APPENDIX I

(Vide paragraph 4 of the Report)

### Consolidated statement of recommendations/observations made by the Committee

S.No.	Para No.	Recommendations/Observations
1	2	3
1.	3	The Committee note that the Ministry of Finance have requested the Industrial Finance Corporation of India to make suitable modifications to define the term 'reasonable restrictions' used in sub-regulation(i) of regulation 8 of the Industrial Finance Corporation of India General Regulations to make it more specific. They desire that the Ministry should take steps to ensure expeditious action in the matter.
2.	6	The Committee note that the Notice convening general meeting, besides being published in the Gazette of India, is being despatched to each shareholder under postal certificate and also published in few leading English/Hindi Dailies having wide circulation. The Committee desire that the practice followed in this regard should be reflected in the rules in order to make the rules self-contained and for the information of all concerned.
3.	9	The Committee note that Industrial Finance Corporation of India accepts fitness certificate from a Government Hospital also for appointment in the Corporation. The Committee feel that it would be better if the position is made clear by making suitable amendment in the rules.
4.	12	The Committee desire that to obviate any arbitrariness in exercise of the discretion enjoyed by the Corporation in regard to extension of probation period of employees, certain built in safeguards like recording of reasons in writing in each case and affording a fair opportunity to the incumbent so as to make good his shortcomings be provided as standing

1	2	3
		administrative instructions to serve as guidelines. The Committee hope the Corporation would take early steps to do the needful.
5.	15	The Committee note that the Ministry are inclined to amend regulation 49(4) of Industrial Finance Corporation of India (Staff) Regulations, 1974 so as to bring it in line with rule 15(4) of the Central Civil Services (Classification, Control and Appeal) Rules. The Committee desire that early steps be taken to amend the regulation accordingly.
6.	19	The Committee note that the provisions contained in regulation 64(A)(3) and (4) of IFCI (Staff) Regulations are similar to those in rule 10(3) and 10(4) of the Central Civil Services (Classification, Control and Appeal) Rules. The Committee desire that the following proviso should also be incorporated in the aforesaid regulation:—  “Provided that no such further inquiry shall be ordered unless it is intended to meet a situation where the Court has passed an order purely on technical grounds without going into the merits of the case.”
7.	22	The Committee desire that the necessary amendment to the regulation be effected at an early date.
8.	25	The Committee are not satisfied with the explanation advanced by the Ministry and are of the view that suitable guidelines regarding the type of securities in which the surplus funds should be invested would be of much help to the Directors as well as the Corporation to arrive at a decision in the right direction.
9.	28	The Committee note that regulation 3(2)(j) of the Management of Industrial Concerns (Powers and Duties of Directors) Regulations, 1957 confers absolute discretion upon the Directors of an industrial concern to authorise officers for discharging multiple financial obligations of varied magnitude in respect of such concern. To obviate any misuse of the unfettered discretion, the Committee consider it necessary to provide some built-in safeguards in the procedure itself. In case it was not possible to lay down the minimum rank of such officers, the Government would do well by stipulating some sort of minimum

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1	2	3
		requirements like status or salary attached to the posts. The Committee, therefore, urge upon the Governmaent to do some re-thinking and amend the regulations to the desired effect.
10.	31	The Committee desire that the necessary amendment in the regulation may be carried out early.
11.	33	The Committee note that while notifying the Industrial Finance Corporation of India Employees' Provident Fund Regulations, 1948 in the Gazette of India, the date of coming into force of the regulations had not been indicated. They also observe that the year in the short title to these regulations has been indicated as 1948 whereas the regulations were published in the official Gazette dated 19 February, 1949. Ordinarily, the year in the short title should have relevance to its publication in the official Gazette. The Committee, therefore, urge upon the Ministry of Finance to be watchful in this regard in future.
12.	35	The Committee suggest that it would be worthwhile to reprint the regulations in a consolidated form incorporating all the amendments made from time to time for facility of reference by all concerned. They desire the Ministry to do the needful at an early date.

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**MINUTES**

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**IX**

**MINUTES OF THE NINTH SITTING OF THE  
COMMITTEE ON SUBORDINATE LEGISLATION  
(NINTH LOK SABHA)  
(1990-91)**

The Committee met on Tuesday, 10 July, 1990 from 15.00 to 15.45 hours.

**PRESENT**

Shri G.M. Lodha — *Chairman*

**MEMBERS**

2. Shri Chhavi Ram Argal
3. Shri M. Arunachalam
4. Shri Giridhar Gomango
5. Shri Syed Masudal Hossain
6. Shri Vijay Bhaskar Reddy
7. Shri Chhotey Singh Yadav

**SECRETARIAT**

1. Shri K.C. Rastogi — *Joint Secretary*
2. Shri Swarn Singh — *Under Secretary*

2. The Committee Considered Memoranda Nos. 37 to 41 as follows:—

(i) *Regulation 3(2) (b) (ii) of the Management of Industrial Concerns (Powers and Duties of Directors) Regulations, 1957— (Memorandum No. 37)*

The Committee noted that the Ministry of Finance had agreed to review and amend Regulation 3(2) (b) (ii) of the Management of Industrial Concerns (Powers and Duties of Directors) Regulations, 1957 so as to revise the limit of Rs. 1,000/- in the light of the revised pay structure. The Committee desired the Ministry to bring forth the necessary amendment to the Regulations at an early date..

(ii) *Regulation 3(2)(e) of the Management of Industrial Concerns (Powers and Duties of Directors) Regulations 1957— (Memorandum No. 38)*

The Committee were not convinced with the explanation advanced by the Ministry of Finance and desired the Ministry to issue suitable guidelines for the Directors in regard to investment of surplus funds in securities at an early date.

*(iii) Regulation 3(2)(j) of the Management of Industrial Concerns (Powers and Duties of Directors) Regulations, 1957—(Memorandum No. 39)*

The Committee did not agree with the reply furnished by the Ministry of Finance and desired the Ministry to specify the minimum rank of the officers of various categories who might be authorised by the Industrial Finance Corporation of India to draw, accept, make, endorse, sign execute bills on behalf of the Corporation in order to make the regulation self-contained.

*(iv) Regulation 4(d) of the Management of Industrial Concerns (Powers and Duties of Directors) Regulations, 1957—(Memorandum No. 40)*

The Committee noted that the Ministry of Finance had agreed to delete the word “reasonably” appearing in the Regulation and desired the Ministry to amend the Regulation at an early date.

*(v) Regulation 11 of the Industrial Finance Corporation of India (Staff) Regulations, 1974—(Memorandum No. 41)*

The Committee noted from the reply of the Ministry that IFCI had agreed to accept fitness certificate from a Government Hospital for appointment in the Corporation. The Committee, therefore, desired the Ministry to amend the Regulations suitably at an early date.

*The Committee then adjourned to meet again on 11 July, 1990.*

X

MINUTES OF THE TENTH SITTING OF THE COMMITTEE  
ON SUBORDINATE LEGISLATION (NINTH LOK SABHA)  
(1990-91)

The Committee met on Wednesday, 11 July, 1990 from 11.00 to 11.40 hours.

PRESENT

Shri G.M. Lodha — *Chairman*

MEMBERS

2. Shri Chhavi Ram Argal
3. Shri Prakash Koko Brahmbhatt
4. Shri Giridhar Gomango
5. Shri Vijay Bhaskar Reddy
6. Shri Ebrahim Sulaiman Sait

SECRETARIAT

1. Shri K.C. Rastogi — *Joint Secretary*
2. Shri Swarn Singh — *Under Secretary*

2. The Committee took up consideration of Memoranda Nos. 42 to 46 as under:—

- (i) *Regulation 19 of the Industrial Finance Corporation of India (Staff) Regulations, 1974—(Memorandum No. 42);*
- (ii) *Regulation 20 of the Industrial Finance Corporation of India (Staff) Regulations, 1974—(Memoradum No. 43).*

The Committee considered Memoranda Nos. 42 and 43 together as they dealt with similar issues. The Committee were not convinced with the reply furnished by the Ministry of Finance. The Committee opined that regulations 19 and 20 conferred discretionary powers on the authorities in the matter of extension of period of temporary service or probation of the employees of the Corporation. The Committee felt that with the experience gained over the years, it should have been possible for the Ministry to lay down suitable guidelines to obviate any arbitrary use of the discretionary powers.



*(iii) Regulation 49(4) of the Industrial Finance Corporation of India (Staff) Regulations, 1974—(Memorandum No. 44)*

The Committee noted that the Ministry of Finance were inclined to amend regulation 49(4) of the Industrial Finance Corporation of India (Staff) Regulations, 1974 so as to bring it in line with rule 15(4) of the Central Civil Services (Classification, Control and Appeal) Rules. The Committee desired the Ministry to do the needful at an early date.

*(iv) Regulation 51(3)(a) of the Industrial Finance Corporation of India (Staff) Regulations, 1974—(Memorandum No. 45)*

Keeping in view the position as stated by the Ministry of Finance, the Committee decided not to pursue the matter further.

*(v) Regulation 64(A) of the Industrial Finance Corporation of India (Staff) Regulations, 1974—(Memorandum No. 46)*

The Committee noted from the reply furnished by the Ministry of Finance that the provisions contained in regulation 64(A) were similar to those in rule 10(3) and 10(4) of the Central Civil Services (Classification, Control and Appeal) Rules. The Committee desired that the following proviso added to rule 10(4) of the above rules should also be incorporated in the aforesaid regulations:—

“Provided that no such further inquiry shall be ordered unless it is intended to meet a situation where the Court has passed an order purely on technical grounds without going into the merits of the case”.

The Committee desired that the Ministry might amend regulation 64(A)(4) by suitably incorporating the above proviso therein so as to be in conformity with the provisions of the Central Civil Services (Classification, Control and Appeal) Rules.

*The Committee then adjourned to meet again on 25 July, 1990.*

### XIII

## MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE ON SUBORDINATE LEGISLATION (NINTH LOK SABHA) (1990-91)

The Committee met on Monday, 24 September, 1990 from 15.30 hours to 16.10 hours.

### PRESENT

Shri G.M. Lodha — *Chairman*

### MEMBERS

2. Shri Chhavi Ram Argal
3. Shri M. Arunachalam
4. Shri Giridhar Gomango
5. Shri Ravi Narayan Pani
6. Shri Vijay Bhaskar Reddy
7. Shri N. Sundararaj
8. Shri Chhotey Singh Yadav

### SECRETARIAT

1. Shri S.C. Gupta — *Joint Secretary*
2. Shri T.S. Ahluwalia — *Director*
2. The Committee considered Memoranda Nos. 47 to 50 as under:—
  - (i) *Industrial Finance Corporation of India (Staff) Regulations, 1974—(Memorandum No. 47)*

The Committee noted the clarification furnished by the Ministry of Finance that medical certificates submitted by the employees of Industrial Finance Corporation of India in respect of their illness, fitness from any private or Government Hospital or dispensary or IFCI's Medical Officers were acceptable to the Corporation and decided that no change in the regulation in this regard was necessary.

- (ii) *Industrial Finance Corporation of India (Staff) Regulations, 1974—(Memorandum No. 48)*

The Committee took note of the reply of the Ministry of Finance that the employees of Industrial Finance Corporation of India were free to submit medical certificates either from Government Hospitals or from any qualified private Medical practitioners, for grant of maternity leave to female employees. The Committee decided not to pursue the matter further in the light of Ministry's reply.

*(iii) Industrial Finance Corporation of India General Regulations, 1982— (Memorandum No. 49)*

On a reference made to the Ministry of Finance for making the term 'reasonable restrictions' used in this regulation more specific, the Ministry had moved the Industrial Finance Corporation of India to examine the matter and make suitable modifications to this regulation to the desired effect. The Committee desired the Ministry to expedite the decision in the matter.

*(iv) Industrial Finance Corporation of India General Regulations, 1982— (Memorandum No. 50)*

The Committee noted from the reply furnished by the Ministry of Finance that the notice convening general meeting, besides being published in the Gazette of India, was also being despatched to each share holder under postal certificate and published in few leading English/Hindi Dailies having wide circulation. The Committee desired that the practice followed in this respect should be reflected in the rules in order to make the rules self-contained and for the information of all concerned.

*The Committee then adjourned to meet again on 25 September, 1990.*

**XIV**  
**MINUTES OF THE FOURTEENTH SITTING OF THE**  
**COMMITTEE ON SUBORDINATE LEGISLATION**  
**(NINTH LOK SABHA)**  
**(1990-91)**

The Committee met on Tuesday 25, September, 1990 from 11.00 hours to 12.00 hours.

**PRESENT**

Shri G.M. Lodha — *Chairman*

**MEMBERS**

2. Shri M. Arunachalam
3. Shri Ravi Narayan Pani
4. Shri Vijay Bhaskar Reddy
5. Shri Ebrahim Sulaiman Sait
6. Shri N. Sundararaj
7. Shri Chhotey Singh Yadav

**SECRETARIAT**

Shri S.C. Gupta — *Joint Secretary*

2. The Committee considered Memoranda Nos. 51 to 54 as under:—

(i) *Industrial Finance Corporation of India General Regulations, 1982—(Memorandum No. 51)*

On reference made to the Ministry of Finance to define the term 'sufficiently discussed' referred to in the regulation, the Ministry had clarified that it was the discretion of the Chairman to apply a closure as and when a matter had been sufficiently discussed and reasonably debated. The Committee decided not to pursue the matter further in the light of Ministry's reply.

(ii) *Industrial Finance Corporation Employees' Provident Fund Regulations, 1948—(Memorandum No. 52)*

The Committee considered the reply furnished by the Ministry and noted that the date of coming into force of the Employees' Provident Fund Regulations had not been indicated therein while notifying the regulations in the Gazette of India. In Short Title also the year of regulations had been indicated as 1948 whereas these regulations were published in 1949. The Committee observed that the rules/regulations were required to be framed by the Ministry concerned within a period of six months after the Act was passed but in this case the regulations were notified after a period of 11 months.

The Committee decided that since the regulations were framed as far back as 1949, no useful purpose was likely to be served at this stage to ask the Ministry to specify the date of rules coming into force through a fresh notification. The Committee, however, desired that the Ministry be asked to be more careful so that such lapses do not occur in future.

*(iii) Industrial Finance Corporation Employees' Provident Fund Regulations, 1948—(Memorandum No. 53).*

The Committee noted from the reply furnished by the Ministry that amendments to the Employees' Provident Fund Regulations were made in 1949, 1951, 1970, 1972 and 1987. The Committee decided to recommend to the Ministry to print the amended regulations in a consolidated form at one place to facilitate reference by all concerned.

*(iv) Industrial Finance Corporation Rules, 1965—(Memorandum No. 54)*

The Committee considered the reply furnished by the Ministry at some length and noted that the date on which IFCI rules, 1965 were given effect to had not been indicated therein. The Committee decided that a reference be made to the Ministry to find out whether these rules were notified in the Gazette of India and if so, when and a copy of the Gazette thereof be furnished to the Committee.

The Committee decided to postpone the proposed Study Tour of the Committee to Madras, Port Blair, Shilong and Calcutta from 4 to 13 October, 1990 in view of the commencement of the next Session of Lok Sabha from 1 October, 1990. The Committee decided to undertake the proposed Tour sometime during the month of November, 1990 with some alterations.

*The Committee then adjourned to meet again on 15 October, 1990.*

CONFIDENTIAL

XIX

MINUTES OF THE NINETEENTH SITTING OF THE COMMITTEE  
ON SUBORDINATE LEGISLATION (NINTH LOK SABHA)  
(1990-91)

The Committee met on Thursday, 29 November, 1990 from 15.00 to 15.30 hours.

PRESENT

Shri Ebrahim Sulaiman Sait — *In the Chair*

MEMBERS

2. Shri Chhavi Ram Argal
3. Shri .Prakash Koko Brahmbhatt
4. Shri Vijay Bhaskar Reddy
5. Shri N. Sundararaj
6. Shri Chhotey Singh Yadav

SECRETARIAT

1. Shri K.K. Sharma — *Director*
2. Shri A. Tat — *Assistant Director*
3. Shri Ram Kumar — *Assistant Director*

2. In the absence of the Chairman, another member - Shri Ebrahim Sulaiman Sait, M.P. was chosen by the Committee to act as Chairman for the sitting in terms of the provisions of Rule 258 (3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee considered the draft Second Report and adopted it.

4. The Committee authorised the Chairman and in his absence, Shri Ebrahim Sulaiman Sait, M.P. to present the Report to the House.

5. *The Committee then adjourned to meet again on 30 November, 1990.*