

# COMMITTEE ON PETITIONS

(EIGHTH LOK SABHA)

SECOND REPORT



*( Presented to Lok Sabha on 7 May, 1986 )*

**LOK SABHA SECRETARIAT  
NEW DELHI**

*May, 1986/Vaisakha, 1908 (Saka)*

*Price : Re. 2.65*

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# COMPOSITION OF THE COMMITTEE ON PETITIONS (1985-86)

## CHAIRMAN

\*1. Begum Abida Ahmed

## Members

2. Shri P. A. Antony

3 Shri Bharat Singh

4. Shri Ishwarbhai K. Chavada

\*\*5. Shri G. B. Gohil

6. Shri A. S. Gounder

\*\*\*7. Shrimati Sheila Kaul

8. Shri Gangadhar S. Kuchan

9. Shri Lakshman Mallick

10. Dr. A. K. Patel

11. Shri K. Ramachandra Reddy

12. Shri Ajit Kumar Saha

13. Shri Surendra Pal Singh

14. Shri Dharam Vir Singh Tyagi

15. Shri Ram Singh Yadav

## SECRETARIAT

Shri M. K. Mathur—*Joint Secretary.*

Shri O. P. Chopra—*Senior Legislative Committee Officer.*

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\*Appointed w.e.f. 30th July, 1985.

\*\*Nominated w.e.f. 7th August, 1985 *vice* Shri Jaidep Singh resigned.

\*\*\* Nominated w.e.f. 18th November, 1985 *vice* Shri B. R. Bhagat ceased to be member of the Committee on his appointment as a Minister.

SECOND REPORT OF THE COMMITTEE ON PETITIONS  
(EIGHTH 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 Second Report of the Committee to the House on the following matters:—

- (i) Representation regarding cancellation of an amendment in Income Tax Act.
- (ii) Representation regarding rise in prices of essential commodities and deterioration of law and order in Delhi.
- (iii) Representation regarding introduction of old age pension scheme.
- (iv) Representations regarding discrimination in the issue of number of Post Retirement Complimentary Railway Passes to Gezatted Officers on Railways.
- (v) Action taken by Government on the recommendations contained in their Twentieth Report (Seventh Lok Sabha) on the representation regarding ban on entry of foreign tourists in certain parts of Sikkim.
- (vi) Other Representations.

1.2 The Committee considered the above matters at their sittings held on 13 and 14 January and 8 April, 1986.

1.3. The Committee considered their draft Report at their sitting held on 5 May, 1986 and adopted it.

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

NEW DELHI;  

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Dated: 5 May, 1986.

ABIDA AHMED,  
*Chairman,*  
*Committee on Petitions.*

## II

### REPRESENTATION REGARDING CANCELLATION OF AN AMENDMENT IN INCOME TAX ACT

2.1 Shri Narahari Krishnamurthy, Secretary, Kiranam and Jag-gery Merchants' Association, Khammam (Andhra Pradesh) submitted a representation (See Appendix I) on 2 August, 1985, regarding cancellation of an amendment in Income Tax Act.

#### *A. Petitioner's Grievances and Demands*

2.2 In his representation, the petitioner has stated that Sri Pranab Mukherji, the then Finance Minister, Government of India, made an amendment in the Income-Tax Act that "A Businessman whose annual sales turnover is or exceeds Rs. 40 lakhs should get his accounts audited with a Chartered Accountant."

2.3 In this connection, the petitioner has raised the following points:—

- (i) A petty businessman with sale of 20 to 25 bags of commodities per day worth Rs. 10,000 to Rs. 12,000 easily reaches Annual Sales Turnover of Rs. 40 lakhs. It is very painful, troublesome and expensive for the businessman to get his accounts audited. There are lakhs of businessmen who fall under this category, but the services of Chartered Accountants in sufficient number are not available in the country. Moreover, the charges of Chartered Accountants are abnormal and unbearable and due to paucity of Chartered Accountants, it is not possible for a petty businessman to complete the assessments within a short period.
- (ii) The businessman passes this additional expenditure on auditing his accounts to the consumer who in turn is put to inconvenience.
- (iii) The limit of Rs. 40 lakhs may be raised to Rs. 1 crore and should be applicable to a firm so that the petty businessman is saved from hardships. They have further desired that the amendment in the Income-tax Act may be cancelled.

**B. Comments of the Ministry of Finance (Department of Revenue—  
Central Board of Direct Taxes)**

2.4 The representation was referred to the Ministry of Finance (Department of Revenue) (Central Board of Direct Taxes) on 29 August, 1985 for furnishing their factual comments thereon for consideration by the Committee on Petitions. In their factual note (See Appendix II) dated 11 October, 1985, the Ministry of Finance (Department of Revenue (Central Board of Direct Taxes) have *inter alia* stated as follows:—

\* \* \* \*

“The specific points made in this letter and comments thereon are furnished below:—

*Suggestion*

- (i) The provision for compulsory audit of accounts will impose unwarranted financial burden on petty tax-payers.

*Comments:* The fees payable to Chartered Accountants for auditing of accounts will normally be commensurate with the scale and extent of business. Moreover, such fees will be an allowable deduction in computing taxable profits of the tax-payers and, hence, only a part of the payment made by way of audit fees will have to be borne by the tax-payers.

*Suggestion:*

- (ii) Chartered Accountants are not available in sufficient numbers to audit the accounts of the businessmen whose number is quite large.

*Comments:* The Institute of Chartered Accountants of India have published a list of the members of the Institute as on 1-4-1983. This shows that practising members are widely dispersed and spread all over the country. The President of the Institute has also stated that “According to the latest available statistics, Chartered Accountants are practising in each town and city where an income-tax office is situated. There are about 200 towns and cities in each of which there are 10 or more Chartered Accountants. Therefore, there will be no difficulty in getting the services of Chartered Accountants at various towns and cities including mofussil areas. It will not be necessary for the traders to visit other

places for getting their accounts audited. The Chartered Accountants do visit smaller places for the purpose of audit of the branches of banks and other industrial concerns. Therefore, there is no need for any anxiety that Chartered Accountants will not be able to render this professional service.

*Suggestion:*

- (iii) If the provisions of section 44AB are made applicable to a company or a big firm etc. whose annual turnover exceeds Rs. one crore there will be no trouble or inconvenience to the small businessmen.

*Comments:* Finance Minister in para 71 of his Budget Speech for the year 1984-85, while introducing provisions of section 44AB of the Income-Tax Act, had proposed compulsory audit of accounts in all cases where the annual turnover exceeds Rs. 20 lakhs. However, after taking into account the various suggestions in this regard sales|turnover limit was raised from Rs. 20 lakhs to Rs. 40 lakhs. As this limit of Rs. 40 lakhs is quite substantial, the suggestion to enhance this limit to Rs. one crore is not acceptable.

*Suggestion:*

- (iv) The provision for compulsory audit of accounts may be withdrawn.

*Comments:* The Direct Taxes Inquiry Committee (Wanchoo Committee) have in para 2.144 of their final report made the following observations regarding compulsory audit of accounts:—

“We think it would facilitate the administration of tax laws to a considerable extent if simultaneously with the compulsory maintenance of accounts, there is statutory provision for their mandatory audit, at least in the bigger cases Audit would also help in the proper presentation of the accounts before the tax authorities, thereby making assessment proceedings more meaningful. Further, in vast majority of cases, it would save considerable time of the assessing officers which is at present spent on carrying out routine verification, like correctness of totals and whether purchases and sales are properly vouched or not. The time thus saved could then be utilised for attending to more important investigational aspects of a



case. The information which the auditor could be required to furnish with his certificate would also enable building up of information exchange for purpose of cross verification which will be invaluable in detecting tax evasion and spotting new assesseees. Audit would also help to check fraudulent practices such as concoction of accounts at later dates, maintaining duplicate sets of accounts etc." The aforesaid observations by the Wanchoo Committee succinctly bring out the various advantages of an audit of accounts for tax purposes.

In view thereof, the suggestion for the withdrawal of the provision of section 44AB of the Income Tax Act is not acceptable.

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### *C. Observation of the Committee*

2.5 The Committee note from the factual note furnished by the Ministry of Finance (Department of Revenue—Central Board of Direct Taxes) that after taking into account the various suggestions, the Government had already raised the annual sales turn over limit for compulsory audit from Rs. 20 to 40 lakhs. In the opinion of the Committee, the limit of Rs. 40 lakhs is quite substantial and they therefore, feel that no intervention in the matter was required on their part.

REPRESENTATION REGARDING RISE IN PRICES OF ESSENTIAL COMMODITIES AND DETERIORATION OF LAW AND ORDER IN DELHI

3.1 Shri Madan Lal Khurana, President, Bhartiya Janata Party, Delhi, and others submitted a representation (See Appendix III) on 2 December, 1985, regarding rise in prices of essential commodities and deterioration of law and order in Delhi.

*A. Petitioner's grievances and demands*

3.2 In their representation, the petitioners have stated as follows:—

“We the elected representatives of the opposition parties of Delhi through you, want to draw the attention of Government of India towards the rising prices and deteriorating law and order situation. Today the life of the people in Delhi, particularly the people belonging to economically weaker sections and fixed income group has become miserable. 15 lakhs people are living below poverty line. More than 50 people have died of starvation and poverty during the past one year. The prices of essential commodities have risen sky high due to wrong policies and defective public distribution system during the past one year. Today Delhi has become a city of scarcity.

The Claim of Government is absolutely wrong and misleading that the price rise in 1985 is comparatively less than the price rise in 1984, i.e. during the period of Shri Rajiv Gandhi there has been a reduction of 50 per cent in prices. The authenticated data of the Delhi Administration itself reveal that during the period from October, 1983 to August, 1984, the price rise index was 43 point whereas from October, 1984 to August, 1985 (during the tenure of Shri Rajiv Gandhi) it was 46 points.

According to a survey, there has been an additional increase of Rs. 100 to Rs. 500 in the expenditure of each family in Delhi due to rise in prices of food stuffs and essential commodities during the past one year with the result that the poor and fixed income groups have been burdened.

The prices of essential commodities have not only increased in the open market but Government itself has increased considerably the prices of the articles sold at its own sale centres. The statistics given at annexure 1 and 2 are its proof. Prices of vegetables have not been shown in this table which have generally increased 100 per cent than that of last year.

There has been an increase of more than 50 per cent in the prices of essential commodities like sugar, cement, pulses, rice and rajma during the last one year.

When Government itself frequently increases the prices of essential commodities sold at its own sale centres how it can check the businessmen from increasing the prices in the open market?

According to the authenticated statistics after Smt. Indira Gandhi again came to power i.e. during the period from 1980 to August, 1985, i.e. with a period of 5 1/2 years there has been a price rise of 258 points whereas during the 2 years of Janta Party rule (from June, 1977 to June 1979) the price rise was only 24 points, which means that during Janta Party rule the annual price rise was 12 points Whereas the increase has been 48 points during the tenure of Indira and Rajiv.

The prices of vanaspati ghee, oil, tea, flour, maida, suji, cement and iron have registered an increase during the past two to three years. Multinational companies were given a free hand to increase frequently the prices of their products. The people are being exploited by the mill-owners and corrupt officials.

Government should give up its anti-poor and backward people policies and take effective steps to check the price rise. It is an irony that the Union Ministers are no tired of claiming that the prices are coming down whereas the burden of price rise is increasing day-by-day.

It is requested that you may kindly impress upon the Government to give up making false assurances and misleading publicity and make available essential commodities at cheaper and fair prices to the people living in Delhi.

**B. Comments of the Ministries of Food and Civil Supplies. (Department of Civil Supplies) and Home Affairs.**

3.3 The representation was forwarded to the Ministries of Food and Civil Supplies (Department of Civil Supplies) and Home Affairs on 11 December, 1985 for furnishing their factual comments thereon. In their factual note dated 11 February, 1986 (See Appendix—IV)... The Ministry of Food and Civil Supplies (Department of Civil Supplies) have *inter alia* stated as follows:

“.....there has been increase in the prices of essential commodities during the last five-six years. Since the price rise has taken place all over the country, Delhi is not an exception to this trend. Delhi is a deficit area for most of the essential commodities and items of mass consumption. It is largely dependent upon the supplies from other States for commodities like wheat, rice, pulses, sugar, gur, edible oil, tea, fruits and vegetables. Prices of these commodities in Delhi are based on market forces operating in various parts of the country.

In order to keep the prices of essential commodities in check and make available these commodities to the people, particularly to the weaker and vulnerable sections of the society, the PDS in Delhi has been expanded and improved substantially. The number of fair price shops has gone up from 2,174 in January, 1979 to 3,123 in January, 1986 showing a remarkable increase of 43.7 per cent. In addition, there are 1,379 kerosene depots and 1,611 coal depots. For the year 1985-86 there was a target of opening 75 more fair price shops. As against that target 140 additional fair price shops have already been opened. The number of food cards has gone up from 10.72 lakhs in 1979 to 17.22 lakhs in January, 1986, showing an increase of 60.6 per cent. The off take of various commodities supplied through the network of fair price shops has also gone up.

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The public distribution system network is supplemented in a big way by the role played by Delhi State Civil Supplies Corporation and Super Bazar in retailing essential commodities and items of mass consumption. Super Bazar has 99 branches in the Union Territory and is the single largest retailing outlet in the country. Its sales have gone up from





reasonable rates, especially to the weaker and vulnerable sections of the society.

In order to encourage the farmers and peasants to produce more so as to ensure regular supply of essential commodities in the market, the Committee recommend that they may be guaranteed remunerative prices for their produce.

As regards the control of law and order situation in Delhi, the Committee note with satisfaction that Central Government have accepted and implemented most of the recommendations of the Group set up under Shri S. D. Srivastava to study the Delhi Police Administration with a view to increase its efficiency and improve its effectiveness and this has resulted in modernisation and mobility of the Delhi Police, thus equipping it to deal with emergent situation.

The Committee are of the view that the law and order situation in Delhi still do need improvement. The Committee trust that Government will take more constructive steps early so as to make the life of the people of capital more secure and instil a sense of security in their mind.

## IV

### REPRESENTATION REGARDING INTRODUCTION OF OLD AGE PENSION SCHEME

4.1 Shri J. K. Shah, 1137, Lalabhaini Pole, Mandvi's Street, Ahmedabad submitted a representation regarding introduction of old age pension scheme.

#### A. *Petitioner's grievances and demands*

4.2 In his representation the petitioner has stated as follows:—

“Introduce old age pension scheme effective 1-1-86 for our countrymen beyond 60 years of age. Scheme to provide payment of minimum Rs. 500 per month per head and made applicable to one and all old persons as in case of advanced countries. Necessary bill be passed in the Parliament.”

#### B. *Comments of the Ministry of Personnel and Training, Administrative Reforms and Public Grievances and Pension (Department of Pension and PW).*

4.3 The representation was referred to the Ministry of Personnel and Training, Administrative Reforms and Public Grievances and Pension on 23 December, 1985 for furnishing their factual comments thereon. In their factual note dated 15 January, 1986, the Department of Pension and PW have stated as follows:—

“The proposal has been examined carefully. It has been ascertained that according to 1981. Census, the population aged 60 years and above is 4,31,72,243. That old age pension @ Rs. 500 per month would involve an expenditure of Rs. 25,872 crores per annum. The proposed expenditure has to be considered in the context of available financial resources. According to the Budget estimates for the year 1985-86, the gross revenue of the Government of India amounts to:—

(i) Gross tax revenue less States' share	}	Rs.
(ii) Non-tax revenue		47,635 crores
(iii) Capital receipts		3,660 „
Budgetary deficit		„
Total:-		<u>51,295 „</u>



To meet the existing commitments inclusive of plan expenditure, deficit financing to the extent of Rs. 3,660 crores was projected in the Budget for 1985-86. The old age pension scheme proposed by Shri Shah would mean that almost 50.43 per cent (approx.) of the gross revenue of the Government would be appropriated for payment of old age pension. It would, therefore, be observed that the expenditure of the order of Rs. 25,872 crores is not within the economic capacity and development of the State.

It is further found that 19 States listed below have already introduced old age destitute pension at rates ranging between Rs. 20 to Rs. 75 p.m. having regard to the constraints on financial resources:—

1. Andhra Pradesh
2. Gujarat
3. Himachal Pradesh
4. Karnataka
5. Madhya Pradesh
6. Manipur
7. Orissa
8. Sikkim
9. Tripura
10. West Bengal
11. Bihar
12. Haryana
13. Jammu and Kashmir
14. Kerala
15. Maharashtra
16. Meghalaya
17. Punjab
18. Tamil Nadu
19. Uttar Pradesh.

Since the above mentioned are already having Old Age Pension Scheme within their available resources, there is no need for the Centre to institute a scheme of the nature proposed.”

#### *C. Recommendation/Observation of the Committee*

4.4 The Committee note the position stated by the Ministry of Personnel and Training, Administrative Reforms and Public Grievances and Pension on introducing old age pension scheme to all country men beyond 60 years of age and providing them payment of Rs. 500 per month per head. The Committee agree with views of the Government that the expenditure of the order of Rs. 25,872 crores

on old age pension scheme for 4,31,72,243 persons aged 60 years and above at the rate of Rs. 500 per month per head is not within the limits of economic capacity and the development of the State.

The Committee also note that 19 States have already introduced old age destitute pension at rates ranging between Rs. 20 to Rs. 75 per month. The Committee feel that the amount of Rs. 20—75 per month in these days of high cost of essential commodities and rising inflation in the country is too meagre.

The Committee consider old age pension scheme, included as one of the Directive Principles of State Policy in the Constitution of India, to be an important welfare scheme and therefore, recommend that the Central Government should also contribute towards the implementation of the Scheme so that it is introduced all over the country. To start with, in the opinion of the Committee, the minimum old age pension should reasonably be Rs. 150 per month. The Committee also recommend that the Central Government should urge upon other State Government/Union Territory Administrations who have not yet introduced old age destitute pension scheme in their areas to do so at an early date and implement the schemes vigorously.

The Committee further recommend that judging from the importance of the subject, this matter after going into various aspects of the scheme in consultation with the Planning Commission should be placed before the National Development Council for their consideration and decision as a long term measure so that the introduction of old age pension scheme on uniform pattern becomes possible in all the States and Union Territories during the Seventh Five Year Plan itself.

**REPRESENTATION REGARDING DISCRIMINATION IN THE  
ISSUE OF NUMBER OF POST RETIREMENT COMPLIMEN-  
TARY RAILWAY PASSES TO GAZETTED OFFICERS ON  
RAILWAYS**

5.1 Shri N. Banerjee, retired Section Officer, Railways, resident of Sector IV/267, R. K. Puram, New Delhi submitted a representation on 14 January, 1986 (See Appendix V) regarding discrimination in the issue of number of post-retirement complimentary railway passes between different Gazetted Officers on Railways. Shri K. P. Halder, another retired Sector Officer of the Railway Board also submitted a representation on 12 February, 1986 on the same subject which may be seen at Appendix VI.

*A. Petitioners garievances and demands*

5.2 In his representation (See Appendix V), the petitioner Shri N. Banerjee has *inter-alia* stated as follows:—

“.....I retired from service w.e.f. the afternoon of 31-12-1985 i.e. after having worked as a regular Gazetted Railway Officer for more than 1½ year(s).

As per existing Railway Rules, a Railway Servant who has worked as a Gazetted Railway Officer for three or more than three years and retires from Railway Service after rendering 25 years service, is entitled to three sets of 1st class white complimentary passes after retirement. As I had not completed 3 years' service as a Gazetted Railway Officer, I am entitled to two sets of 1st class green complimentary railway passes and thus, I have not only been deprived of one set of 1st class railway pass but also downgraded to get 1st class green passes meant for Non-Gazetted Railway employees, though I retired as a Gazetted Officer and this is quite discriminatory.

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In view of the position explained in the preceding para I very humbly submit that the existing rule for grant of 3 sets of post-retirement passes to Gazetted Officers who have worked as such for 3 or more years, requires revision; as

when the aforesaid rule was made about 30 years ago, the grant of pension to all railway employees was worked out on the basis of the average pay drawn by them during the last 36 months prior to their retirement and now the pension is sanctioned on the basis of average pay drawn by an employee during the last 10 months prior to his retirement. The Govt. have also liberalised many other conditions of service of their employees.

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The Petitions Committee are requested to kindly have the justice done to me by removing the discrimination in the existing post-retirement railway passes to Gazetted Class II Officers, which the directly recruited Class I Top Officers of the Railway Board, the deciding authority, are delaying on one plea or the other, inspite of several representations from their own staff."

*B. Comments of the Ministry of Transport*

5.3 The representation was referred to the Ministry of Transport, Department of Railways on 29 January, 1986 for furnishing factual comments thereon. In their factual note dated 27 February, 1986, the Department of Railways (Railway Board) have stated as follow:—

"As per extant orders, a permanent railway servant who has been officiating on the date of his superannuation, or on the date of quitting service, if earlier, in a higher post continuously for three years or more may be treated as if he held that officiating post in a substantive capacity for the purpose of determining the class and number of passes admissible to him.

Shri N. Banerjee, the representationist, retired from railway service on 31-12-1985. He was promoted as Section Officer, Railway Board on 8-6-1984. He was, therefore, in the Gazetted Cadre of Section Officers in the Railway Board for a period of one and half years only. Based on the orders stated above and since he did not officiate for three years in the Gazetted Cadre, he is not eligible to post-retirement complimentary passes as applicable to Gazetted Railway Employees i.e. Group 'A' and 'B' Officers. Since he was a Class III employee before promotion to the Gazetted Cadre, he has been given the post-retirement

complimentary passes on a scale as applicable to Class III employees.

There is no link between grant of retirement benefits such as pension, family pension, encashment of leave etc. and grant of post-retirement passes which is only a post-retirement privilege granted to railway employees, in recognition of their long association with the Railways.”

*C. Observation of the Committee*

**5.4 The Committee note from the factual note furnished by the Ministry of Transport (Department of Railways) that the cases of Sarvashri N. Banerjee and K. P. Halder regarding admissibility of post retirement complimentary Railway passes were determined after considering all aspects of the matter and within the existing provisions of the rules. The Committee are satisfied with the position stated by the Ministry of Transport (Department of Railways). They feel that provisions in the rules for retired Railway employees are adequate and that no further action is called for in the matter on their part.**

**ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS CONTAINED IN THEIR TWENTIETH REPORT (SEVENTH LOK SABHA) ON THE REPRESENTATION REGARDING BAN ON ENTRY OF FOREIGN TOURISTS IN CERTAIN PARTS OF SIKKIM.**

6.1 In their Twentieth Report (Seventh Lok Sabha), presented to Lok Sabha on 23 August, 1984, the Committee after considering a representation dated 11 November, 1982 from Shri B. B. Lohar, M.L.A. and Chairman, Scheduled Castes Welfare Board, Government of Sikkim and others regarding ban on entry of foreign tourists in certain parts of Sikkim and the comments of the Ministry of Home Affairs, had recommended as follows:—

“The Committee note the position stated by the Government in their factual comments and in their submission made before the Committee during evidence by the representatives of the Ministry of Home Affairs that under the Foreigners (Protected Areas), Orders, 1958, Sikkim is a protected area. Foreigners cannot enter the protected areas without obtaining special permits. However, in view of tourist potential in respect of some places in Sikkim and consistent with security requirements, the Government have been authorising grant of protected areas permits to foreign tourists desiring to visit Gangtok, Rumtek and Phodang in Sikkim.

The Committee also note the position stated by the Ministry of Home Affairs on the demands made by the petitioners during their on-the-spot visit to Sikkim such as provision of facilities for foreigners for obtaining Inner Line Permits at Siliguri or Gangtok, losses suffered by Government, private hoteliers, transporters, traders who have made investments in tourist projects and effect of the ban on foreign tourists on tourism industry and economy of Sikkim etc.

After careful consideration of all aspects of the matter, the Committee feel that in the interest of security, there is sufficient justification for continuance of restrictions on

entry of foreigners and that Government should be allowed to regulate their movements keeping in view the broad interest of the country. The Committee, however, recommend to the Government to consider the proposal submitted by certain travel agencies for permitting groups of organised tourists sponsored by them to visit Pemayangtse for a day or two so that the State of Sikkim is not deprived of due revenue from tourism.

The Committee note that, at present, foreigners desiring to visit Sikkim have to obtain an Inner Line Permit from the Ministry of Home Affairs, New Delhi, which is required to be applied six weeks in advance of the proposed date of entry to Sikkim. The Committee agree with the petitioners' plea that this period of six weeks was too long a period since most of the foreign tourists did not plan holidays much in advance and this was proving to be a hindrance for the development of tourism industry in Sikkim. The Committee, therefore, recommend that Government should reduce the existing period of six weeks to four weeks for making applications by foreigners for the grant of Inner Line Permits."

[Paras 3.21 to 3.24, pages 15-16, Twentieth Report (7LS) ]

2. The Ministry of Home Affairs with whom the matter was taken up for implementation, have informed in their action taken reply dated 7 August, 1985 as follows:—

"It has been decided that foreign tourists conducted by recognised travel agencies in organised groups upto 20 May be permitted to visit Pemayangtse for tourism purposes for a period upto two days excluding journey time provided they follow prescribed routes. Instructions have been issued to the Government of Sikkim on 16 July, 1985 for making arrangements for checking of permits at Naya Bazar, Rangpo for attaching Guides to the groups visiting Pemayangtse.

It has been decided that the period of processing and deciding applications for Sikkim permits should not exceed three weeks from the date of receipt of applications in the Ministry of Home Affairs."

*C. Observation of the Committee*

**6.3 The Committee note with satisfaction the action taken by Government on the Committee's recommendations in permitting groups of organised foreign tourists, conducted by recognised travel agencies, to visit Penayangtse for tourism purposes for a period upto two days and also reducing the period of processing and deciding applications for Sikkim permits from six weeks to three weeks from the date of receipt of applications in the Ministry of Home Affairs.**



## VII

### OTHER REPRESENTATIONS

7.1 During the period under report, the Committee have considered three other representations (See Appendix IX) addressed to the House, the Speaker or the Committee by different individuals which were inadmissible as petitions.

7.2 In case of item No. 1 on the representation from Shri Kali Ratan Deb Karori regarding payment of full compensation for properties of refugees from East Pakistan, the Committee is satisfied with the reply furnished by the Ministry of Home Affairs (Department of Rehabilitation) and feel that no further intervention on their part is required in the matter.

In case of item No. 2 on the representation from Shrimati B. Sukumari Amma relating to grant of family pension to her, the Committee note from the reply of the Ministry of Home Affairs that her case has been rejected on the plea that a large number of applications where period and other details of sufferings were filled in green ink in the same hand were received from Kerala and this created doubt. The Committee is not satisfied with the reply of the Ministry. The Committee recommend that the case of Shrimati Sukumari Amma for grant of pension should be reviewed keeping in view the certificate issued by the All India INA Committee in favour of her late husband, Shri K. K. Madhavan Nair, for his political sufferings.

In case No. 3 on the representation from Shri V. Kunnikrishna Menon regarding Sainik Samman Pension, the Committee note from the reply furnished by the Ministry of Home Affairs that the case has been rejected due to non-furnishing of any documentary proof

in respect of his imprisonment/sufferings. The Committee fail to understand how Government have rejected his claim for pension, when the petitioner has produced three certificates from three well-known freedom fighters to prove his sufferings and Government have also not cared to obtain any other document from the petitioner, which he has promised to furnish, if required. The Committee feel satisfied with the particulars of information furnished by the petitioner about the genuineness of his case and desire the Government to review his case speedily for grant of pension and intimate the final outcome of the case to them.

NEW DELHI;

*Dated 5 May, 1986.*

ABIDA AHMED,

*Chairman,  
Committee on Petitions.*

## APPENDIX I

(See para 2.1 of the Report)

[Representation from Shri Narahari Krishnamurthy, Secretary, Kiranam and Jaggery Merchants' Association, Khammam (Andhra Pradesh) regarding cancellation of an amendment in Income Tax Act]

### KIRANAM & JAGGERY MERCHANTS' ASSOCIATION

KHAMMAM—507003 (A. P.)

PRESIDENT

SECRETARY

Vemulapalli Nagabhushanam

Narahari Krishnamurthy

Ref. No. KJMA|112|85

Date 2.8.85

PERSONAL

To

SRI BALRAM JAKHAR,  
Parliament Speaker,  
NEW DELHI.

Respected Sir,

SUB:—Cancellation of the Amendment in the Income-tax Act made by the Ex-Finance Minister Sri Pranab Mukherji, implemented w.e.f. 1.4.85—Reg.

We would like to bring the following few lines for your kind perusal and favourable action.

That Shri Pranab Mukherji, the then Finance Minister, Govt. of India, made certain amendments in the Income-tax Act, which was implemented w.e.f. 1.4.84, in which the following amendment is causing much inconvenience, trouble and hardship to the Petty Businessmen.

#### AMENDMENT

“A businessman whose Annual Sales Turnover is for exceeds Rs. 40 lakhs should get his Accounts Audited with a Chartered Accountant.”

In this connection we wish to state that a Petty businessman if his sales is some 20 to 25 bags of commodities Per Day, worth of Rs. 10 to 12 thousand rupees as per the present rates, can easily reach the above target of Rs. 40 lakhs Annual Sales Turnover. In such case, the Petty Businessman if at all wants to get his Accounts audited through a Chartered Accountant, it is very painful, troublesome and expensive. Because there are lakhs of Businessmen under this category in our country, but there are no sufficient number of Chartered Accountants to undertake the Audit of these lakhs of businessmen. By the by, the charges of Chartered Accountant, are abnormal and unbearable. Even, there will be no any increase in the Income of the Government, besides the Businessmen are being put to great trouble and loss.

Further, where there are no sufficient number of Chartered Accountants, there is no possibility of completion of assessments within a short period, thereby the Petty Businessmen who are the regular and prompt payers of the tax, are being put to great inconvenience and trouble. At present there are so many assessments pending due to the non-completion of the audit reports by the Chartered Accountants, since the implementation of the said amendment w.e.f. 1.4.84.

Moreover, as the charges of Chartered Accountant are generally out of normal, it is an extra expenditure to every businessman who in turn include in the rates of Commodities and thereby the Consumer is being put to hardship.

However, if the said Amendment, is made to be concerned to a company, or a big firm whose Annual Sales Turnover is or exceeds one crore of rupees, there will be no trouble or inconvenience to the above categorised businessmen or to the public.

In view of the above we request your goodself to please arrange to cancel the said amendment for ever and save the Petty businessmen from hardships. for which we shall be highly thankful to you.

Thanking you,

Yours faithfully,  
Sd| -  
SECRETARY

## APPENDIX II

(See para 2.4 of the Report)

[Factual note dated 11 October, 1985 of the Ministry of Finance (Department of Revenue)—(Central Board of Direct Taxes) on the representation regarding cancellation of an Income Tax Act]

Accounts maintained by companies are required to be audited under the Companies Act, 1956. Accounts maintained by cooperative societies are also required to be audited under the Cooperative Societies Act, 1912. There is, however, no obligation on other categories of tax payers to get their accounts audited.

2. Section 44AB of the Income-Tax Act was introduced by the Finance Act, 1984, having regard to the observation made by the Wanchoo Committee in para 2.144 of their final report. Under the provisions of this section it is obligatory for a person carrying on business to get his accounts audited before the "specified date" by an "accountant" if the total sales, turnover or gross receipts in business for the previous year or years relevant to the assessment year 1985-86 or in subsequent assessment year exceed or exceeds Rs. 40 lakhs. A person carrying on profession will also have to get his accounts audited before the "specified date", if his gross receipts in profession for previous year or years relevant to any of the aforesaid assessment years exceed Rs. 10 lakhs. This provision also casts an obligation on such person to obtain before the "specified date" a report of the audit in the prescribed form duly signed and verified by an "accountant" setting forth such particulars as may be prescribed by rules made in this behalf by the C.B.D.T.

The specific points made in this letter and comments thereon are furnished below:—

*Suggestion:*

- (i) The provision for compulsory audit of accounts will impose unwarranted financial burden on petty tax-payers.

*Comments:* The fees payable to chartered accountants for auditing of accounts will normally be commensurate with the scale and extent of business. Moreover, such fees will

be an allowable deduction in computing taxable profits of the taxpayers and, hence, only a part of the payment made by way of audit fees will have to be borne by the taxpayers.

*Suggestion:*

- (ii) Chartered Accountants are not available in sufficient numbers to audit the accounts of the businessmen whose number is quite large.

*Comments:* The Institute of Chartered Accountants of India have published a list of the members of the Institute as on 1-4-1983. This shows that practising members are widely dispersed and spread all over the country. The President of the Institute has also stated that "According to the latest available statistics, chartered accountants are practising in each town and city where an income-tax office is situated. There are about 200 towns and cities in each of which there are 10 or more chartered accountants. Therefore, there will be no difficulty in getting the services of chartered accountants at various towns and cities including mofussil areas. It will not be necessary for the traders to visit other places for getting their accounts audited. The chartered accountants do visit smaller places for the purpose of audit of the branches of banks and other industrial concerns. Therefore, there is no need for any anxiety that chartered accountants will not be able to render this professional service."

*Suggestion:*

- (iii) If the provisions of section 44AB are made applicable to company or a big firm etc. whose annual turnover exceeds Rs. 1 crore there will be no trouble of inconvenience to the small businessmen.

*Comments:* Finance Minister in para 71 of his Budget Speech for the year 1984-85 while introducing provisions of section 44AB of the Income-tax Act had proposed compulsory audit of accounts in all cases where the annual turnover exceeds Rs. 20 lakhs, however, after taking into account the various suggestions in this regard sales/turnover limit was raised from Rs. 20 lakhs to Rs. 40 lakhs. As this limit of

Rs. 40 lakhs is quite substantial, the suggestion to enhance this limit to Rs. 1 crore is not acceptable.

*Suggestion:*

- (iv) The provision for compulsory audit of accounts may be withdrawn.

*Comments:* The Direct Taxes Inquiry Committee (Wanchoo Committee) have in para 2.144 of their final report made the following observations regarding compulsory audit of accounts:—

“We think it would facilitate the administration of tax laws to a considerable extent if simultaneously with the compulsory maintenance of accounts, there is statutory provision for their mandatory audit, at least in the bigger cases. Audit would also help in the proper presentation of the accounts before the tax authorities, thereby making assessment proceedings more meaningful. Further, in vast majority of cases, it would save considerable time of the assessing officers which is at present spent on carrying out routine verification, like correctness of totals and whether purchases and sales are properly vouched or not. The time thus saved could then be utilised for attending to more important investigational aspect of a case. The information which the auditor could be required to furnish with his certificate would also enable building up of information exchange for purpose of cross verification which will be invaluable in detecting tax evasion and spotting new assessees. Audit would also help to check fraudulent practices such as concoction of accounts at later dates, maintaining duplicate sets of accounts etc.” The aforesaid observations by the Wanchoo Committee succinctly bring out the various advantages of an audit of accounts for tax purposes.

In view thereof the suggestion for the withdrawal of the provision of section 44AB of the I.T. Act is not acceptable.

As per Board's circular No. 422 dated 19-6-85, it has been decided that for the assessment year 1985-86 penalty proceedings under section 271B of the Act would not be initiated in cases where audit reports are furnished by 30-9-85 and self-assessment tax has been paid in time.

## APPENDIX III

(See para 3.1 of the Report)

[Representation from Shri Madan Lal Khurana, President, Bhartiya Janta Party, Delhi and others regarding rise in prices of essential commodities and deterioration of law and order in Delhi]

Bhartiya Janta Party

Delhi State

Sobha Singh Building,  
5285, Ajmeri Gate,  
Delhi-110006.

S. No.

Dated: 2 December, 1985.

Shri Bal Ram Jakhar,  
Speaker,  
Lok Sabha  
New Delhi.

*Petition from the Elected Representatives (opposition)  
of Delhi.*

Sir,

We, the elected representatives of the opposition parties of Delhi, through you, want to draw the attention of Government of India towards the rising prices and deteriorating law and order situation. Today the life of the people in Delhi particularly the people belonging to economically weaker sections and fixed income group, has become miserable. In Delhi 15 lakhs people are living below poverty line. More than 50 people have died of starvation and poverty during the past one year. The prices of essential commodities have risen sky high due to wrong policies and defective public distribution system during the past one year. Today Delhi has become a city of scarcity.

The claim of Government is absolutely wrong and misleading that the price rise in 1985 is comparatively less than the price rise

830 LS—3.



in 1984, i.e during the period of Sh. Rajiv Gandhi there has been a reduction of 50 per cent in prices. The authenticated data of the Delhi Administration itself reveal that during the period from October 1983, to August, 1984 the price rise index was 43 point where as from October, 1984 to August, 1985 (during the tenure of Shri Rajiv Gandhi) it was 46 points.

According to a survey, there has been an additional increase of Rs. 100 to Rs. 500 in the expenditure of each family in Delhi due to rise in prices of food stuffs and essential commodities during the past one year with the result that the poor and fixed income groups have been burdened.

The prices of essential commodities have not only increased in the open market but Government itself has increased considerably the prices of the articles sold at its own sale centres. The statistics given at annexure 1 and 2 are its proof. Prices of vegetables have not been shown in this table which have generally increased 100 per cent than that of last year.

There has been an increase of more than 50 per cent in the prices of essential commodities like sugar, cement, pulses, rice and Rajma during the last one year.

When Government itself frequently increases the prices of essential commodities sold at its own sale centres how it can check the businessmen from increasing the prices in the open market?

According to the authenticated statistics after Smt. Indira Gandhi again came to power i.e. during the period from 1980 to August, 1985, i.e. within a period of 5½ years of Janta Party rule (from June, 1977 to June, 1979) the price rise was only 24 points, which means that during Janta Party rule the annual price rise was 12 points. Whereas the increase has been 48 points during the tenure of Indira and Rajiv.

The prices of vanaspati ghee, oil, soap, tea, flour, maida, suzi, cement and iron have registered an increase during the past two to three years. Multinational companies were given a free hand to increase frequently the prices of their products. The people are being exploited by the mill-owners and corrupt officials.

Government should give up its anti poor and backward people policies and take effective steps to check the price. It is an irony that the Union Ministers are not tired of chaiming that the prices are coming down whereas the burden of price rise is increasing day-by-day.

It is requested that you may kindly impress upon the Government to give up making false assurances and misleading publicity and

make available essential commodities at cheaper and fair prices to the people living in Delhi.

Thanking you,

Yours sincerely,

Sd/-

(MADAN LAL KHURANA)

PRESIDENT

Sd/-

(KALKA DASS)

Leader of opposition (B.J.P.)

Delhi Metropolitan Council.

Sd/- (SHANTI DESAI), Leader of Opposition (B.J.P.)

Delhi Municipal Corporation.

### ANNEXURE-I TO APPENDIX-III

(Statement showing comparative study of rates in open markets of essential commodities)

S.No.	Name of the Commodities	Quantity	Jan. 1980	Nov. 1984	Nov. 1985
1	Sugar	1 Kg	2.50	5.25	7.75
2	Vanaspati Ghee	1 Kg	10.00	16.50	18.50
3	Wheat	1 Kg	1.21	2.25	2.75
4	Rice	1 Kg	2.00	3.50	4.50
5	Rice Basmati	1 Kg	..	8.00	13.00
6	Dal (Gram)	1 Kg	2.50	5.10	7.50
7	Rajma Chitra	1 Kg	3.00	6.00	11.00
8	Soap (Washing)	1 Kg	4.50	9.50	10.50
9	Toilet Soap (Hamam Cake)	—	1.40	2.60	2.85
10	Surf	1 Kg	12.00	21.00	22.75
11	Tooth Paste	200 gram	7.50	12.05	13.85
12	Vim	2.50 Kg	7.00	14.75	20.00
13	Pencils	1 dozen	4.00	7.00	10.00
14	Tea (loose)	1 Kg	16.00	27.00	36.00
15	Coffee	100 gram	9.50	15.10	18.35
16	Bulb 100 W/T	1 piece	3.70	5.50	6.25
17	Match Box	1 dozen	1.00	2.25	3.00
18	Salt (Tata)	1 Kg	0.60	1.25	1.75
19	Butter (Amul)	500 gram	9.50	18.00	20.00
20	Cup of tea	One cup	0.35	0.60	0.80
21	Newspaper	One	0.30	0.60	0.90
22	Cement (Free salt)	one bag	..	55.00	70.00

**ANNEXURE-II TO APPENDIX-III**

(Statement showing rates of essential commodities at Government Authorised shops)

S.No.	Name of the Commodities	Quantity	Jan. 1980	Oct., 1984	Oct. 1988
1	Rice	1 Kg	1.66	2.41	2.50
2	Sugar	1 Kg	2.30	4.00	4.40
3	Candles	1 packet	1.60	4.10	4.70
4	Coal	100 Kg	25.82	59.25	67.00
5	Kerosene oil	1 Litre	1.32	1.91	2.11
6	Petrol	1 Litre	3.65	6.07	7.00
7	Cloth (Controlled cloth)	1 Meter	1.98 to 2.11	4.96 to 5.13	5.16 to 5.45
8	Dhoti	7 Meter	16.54	27.27	32.65

## APPENDIX IV

(See para 3.3 of the Report)

[Factual note dated 11 December, 1985 of the Ministry of Food and Civil Supplies (Department of Civil Supplies) including the comments of the Ministry of Home Affairs on the representation regarding rise in prices of essential commodities and deterioration of law and order in Delhi.]

### I. General

During the past five-six years there has been some rise in prices of essential commodities. The movement of prices varied from year to year and also from commodity to commodity. The increase in prices may be mainly attributed to the two disastrous droughts of 1979 and 1982, increase in the administered prices of a few commodities like petro-products, coal and steel, increase in the procurement support prices of various agricultural commodities, increase in issue prices of rice, wheat, levy sugar and imported edible oils, substantial increase in rail and road freight.

2. Relatively speaking, the rate of inflation during the past two years has come down. In the week-ending 11.1.1986 (the latest week for which the wholesale price index is available) the annual rate of inflation was 4.8 per cent as against an annual inflation rate of 5.3 per cent and 11.0 per cent in the corresponding week in 1985 and 1984. During the current financial year so far (upto week-ending 11.1.1986), the wholesale price index has moved up by only 3.1 per cent as against 5.9 per cent and 8.9 per cent during the same 41 weeks in 1984-85 and 1983-84. The decelerating rate of increase is also indicated by the All-India Consumer Price Index for Industrial Workers in November 1985 (the latest month for which such data are available). The All-India Consumer Price Index for Industrial Workers was higher by 5.9 per cent over the year as against an increase of 6.1 per cent and during the same period in November, 1984 and November 1983 respectively.

3. It may also be added that during the past few months the general price situation has remained subdued. Thus, between the weeks ending 3.8.1985 and 11.1.1986, the wholesale price index

has moved down by 2.5 per cent. The wholesale price index at 356.9 in the week-ending 11.1.1986 was at more or less the same level as in the week-ending 8.6.1985.

4. During the Sixth Five Year Plan period, the wholesale price index moved up by 46.9 per cent i.e. at a simple annual average rate of 9.4 per cent. However, along with the rise in prices, it is to be noted that there has been a remarkable growth in the national income during the Sixth Plan period. During these five years, the national income at current prices increased by about 95 per cent i.e. simple annual average rate of 19 per cent. During the Sixth Plan period, the per capita national income at current prices rose by 75 per cent; i.e. at a simple annual average rate of 15 per cent. The average annual growth rate in real national income during the Sixth Plan has been 5.3 per cent. Thus the price rise of 46.9 per cent in Sixth Plan has to be viewed, among other things, in the context of the higher purchasing power with the people.

5. Another remarkable feature of the Sixth Plan period has been the attainment of self-sufficiency in foodgrains. Despite two disastrous droughts during the plan period, the country has been able to have surplus foodgrains. As on 1.1.1986, the total stocks of foodgrains with the Government amounted to 24 million tonnes whereas on the same day, from the view point of the country's food security, the foodgrains stocks should have been 20.1 million tonnes. It is obvious that on that day there was a surplus of 3.9 million tonnes of foodgrains. While most of the surplus is in wheat, it appears that even in the case of rice the corner has been turned. Another bumper *rabi* wheat crop is in the offing. It is likely that the surplus foodgrains may increase further.

6. During the Sixth Plan period there has been significant improvement in the management of supplies of essential commodities as a consequence of which the availability of essential commodities has been by and large satisfactory except some tight supply position observed in the aftermath of the two disastrous droughts of 1979 and 1982. Even during the festival season, during the last few years, the availability of commodities like sugar, edible oils, vanaspati and wheat products has been satisfactory all over the country.

7. The main thrust of the Government policy is to increase the production of essential commodities, particularly of commodities which are in short supply. These efforts have started showing results as has been indicated earlier. There has been remarkable increase in the production of cereals so as to attain surplus stocks. There has also been significant increase in the production of oilseeds,

potatoes, onions and other vegetables, cotton, etc. Special programmes are being implemented to increase the production of oilseeds and pulses. Domestic supplies of commodities like petro-products, sugar, edible oils and pulses are supplemented by imports. On the other hand, the exports of essential commodities is regulated. There are a number of essential commodities including edible oils, pulses and non-basmati rice the export of which is not allowed. At the same time, in order to encourage increased domestic production, the imports are not allowed to depress the prices of indigenous production. Keeping this aspect in view, the imports of edible oils during the current year and the last year have been much less than the imports made in 1983-84 oil year. There has also been considerable improvement during the past five-six years in the infrastructure which has resulted in increased production, improved movement and distribution of various essential commodities in different parts of the country. Monitoring of prices and supplies has been strengthened so as to take appropriate remedial action in time by the Central Government, State Governments and the concerned agencies. It is the sum total of all these actions which has resulted in better availability and management of supplies of essential commodities in the country. At the same time the State Governments have been urged from time to time to vigorously enforce the provisions of the Essential Commodities Act and similar legislations.

8. One of the most important anti-inflationary measures taken by the Government is the continuing improvement and expansion of the public distribution system (PDS). The PDS has become a permanent feature of the national economy and with the beginning of the Sixth Plan it has become a part of the country's planning process. Apart from ensuring availability of seven commodities (rice, wheat, levy sugar, imported edible oil, kerosene, controlled cloth and soft coke) for which the Central Government has taken the responsibility, some State Governments are also supplying a few other commodities like pulses, match box, janata soap, tea, etc. through the network of fair price shops. The number of fair price shops has increased from 2.36 lakhs in January, 1980 to 3.23 lakhs in 1985 showing an increase of 36.9 per cent. During the last six years there has been a remarkable growth in the quantity of various commodities supplied through the PDS. In 1979 the total quantity of six commodities (i.e. excluding controlled cloth) amounted to 17.94 million tonnes and the same has gone up to 26.55 million tonnes in 1985 showing an increase of 48 per cent. The commodity-wise figures are given below. The PDS is supplemented by a network of consumer cooperatives which are located all over the country.

*Growth of Public Distribution System*

(000, tonnes)

Commodity	1979	1987
Foodgrains	11663	15447
Levy Sugar	100	9314
Imported Edible Oils	113	613
Kerosene	3880	5509
Soft coke	2187	1666
	17943	29549

\*Up to November, 1985

9. Nonetheless, Government is concerned about the price rise. The prices of essential commodities are continuously monitored and reviewed at various levels in the Government and various steps are being taken from time to time to keep the prices in check and remove the bottlenecks in the supply of these commodities.

10. Replies to various points raised in the Petition are given below. They relate to the Union Territory of Delhi.

**Point No. 1***Rise in Prices*

**Government should give up its anti-poor and backward people policies and take effective steps to check the price rise.**

11. As has been indicated above, there has been increase in the prices of essential commodities during the last five-six years. Since the price rise has taken place all over the country, Delhi is not an exception to this trend. Delhi is a deficit area for most of the essential commodities and items of mass consumption. It is largely dependent upon the supplies from other States for commodities like wheat, rice, pulses, sugar, gur, edible oils, tea, fruits and vegetables. Prices of these commodities in Delhi are based on market prices operating in various parts of the country. Delhi is one of the most important distribution and marketing centres in the country. It not.



only gets supplies from other parts of the country to meet the requirements of the people in the Union Territory of Delhi but to some extent also meets the requirements of the adjoining areas in the neighbouring States in respect of several commodities. Delhi is having adequate supplies of various essential commodities and items of mass consumption throughout the year.

12. In order to keep the prices of essential commodities in check and make available these commodities to the people, particularly to the weaker and vulnerable sections of the society, the PDS in Delhi has been expanded and improved substantially. The number of fair price shops has gone from 2,174 in January, 1979 to 3,123 in January, 1986 showing a remarkable increase of 43.7 per cent. In addition, there are 1,979 kerosene depots and 1,611 coal depots. For the year 1985-86 there was a target of opening 75 more fair price shops. As against that target 140 additional fair price shops have already been opened. The number of food cards has gone up from 10.72 lakhs in 1979 to 17.22 lakhs in January, 1986, showing an increase of 60.6 per cent. The off-take of various commodities supplied through the network of fair price shops has also gone up as is indicated by the figures given below:—

	(in tonnes)		
	1979	1984	1985 (upto October 1985)
Wheat	273193	359010	300458
Rice	38901	155636	125256
Levvy sugar	662*	76770	69647
Imported Edible Oil**	13236	22747	16970

\*For December 1981. In the earlier 11 months sugar was decontrolled.

\*\*Figures relates to oil years. For 1979, the figures relate to oil year 1979-80.

13. The following steps have been taken to improve the public distribution system in Delhi.

- All the essential commodities are supplied in time at the door steps of the fair price shops in Delhi through the Delhi State Civil Supplies Corporation.
- A time-bound fortnightly programme for deposit of drafts by the FPS holders and supply by the Delhi State Civil

Supplies Corporation is prepared which is adhered to strictly.

- The Circle Food and Supply Officers are required to send a daily report to Zonal Officers regularly in respect of availability of all the essential commodities in fair price shops of their respective circles.
- The Zonal Officers inspect the circle offices in their respective areas and the godowns of the FCI and immediate remedial steps are taken whenever felt necessary. Monthly meetings are held with Food and Supplies Officers of circle offices to sort out problems regarding supplies of essential commodities.
- Arrangements have been made for issue of ration to food card holders on monthly basis. The procedure for obtaining ration cards has been simplified.
- Circle Advisory Committees have been constituted under the Chairmanship of the elected member of the area of the Food and Supplies circle office to solve problems of that area. Meetings of these committees are held every month and the suggestions made therein are considered by the Administration.
- Complaint counters have been opened in 44 circle offices of the Delhi Administration, Department of Food, Supplies and Consumer Affairs.
- The card holders can take any quantity of wheat from the fair price shops.
- Fair price shops have been allowed to sell exercise books, candles and vanaspati in addition to wheat, rice, sugar and edible oils.

14 The public distribution system network is supplemented in a big way by the role played by Delhi State Civil Supplies Corporation and Super Bazar in retailing essential commodities and items of mass consumption. Super Bazar has 99 branches in the Union Territory and is the single largest retailing outlet in the country. Its sales have gone up from Rs. 12.93 crores in 1979-80 to Rs. 45.32 crores in 1984-85 cooperative year. Kendriya Bhandar has 39 branches in Delhi. Delhi State Civil Supplies Corporation operates 23 mobile vans and Super Bazar 45 mobile vans, making a total of 68 mobile vans. They sell essential commodities in various parts of the Union

Territory, particularly in the JJ colonies and areas inhabited by weaker sections. In addition, Super Bazar is selling fruits and vegetables through 21 mobile vans.

15. An effective market intervention by Delhi Administration was made during last summer in respect of non-levy sugar the prices of which were soaring high. In order to reduce the prices of non levy sugar, imported sugar is being sold by various branches of Super Bazar, Kendriya Bhandar and Delhi State Civil Supplies Corporation at a large number of retail points at Rs. 5.50 a kg. Super Bazar alone is selling about 1200 tonnes of imported sugar per month.

16. Delhi Administration has been the first in the country to establish a Directorate of Consumer Affairs recently. The Directorate is mainly concerned with the following:—

- (a) Give information to the consumers about their rights.
- (b) Protecting rights of the consumers.
- (c) Providing redressal of grievances of consumers.
- (d) Promoting a strong consumer movement in the Union Territory of Delhi.

17. Delhi Administration is keeping a continuous watch on the prices and availability of various essential commodities. Under the Essential Commodities Act, 27 Control Orders have been notified. These Control Orders regulate the wholesale and retail sale of rice, wheat, sugar, edible oils, salt, coal, kerosene and other essential commodities. For violations of these Orders, the number of raids carried out has increased from 611 in 1981 to 5,326 in 1985. The Enforcement Wing and Anti-Hoarding Cell of Delhi Administration has been further directed to keep more effective watch and bring to book all those persons who are indulging in malpractices violating the provisions of various Control Orders.

18. It is, therefore, evident that Delhi Administration has taken a number of steps to ensure adequate supplies of various essential commodities and items of mass consumption at reasonable prices.

## Point No. 2

*Deteriorating law and order situation*

19. The position regarding law and order situation in Delhi has been indicated by Ministry of Home Affairs as under:

- (a) Law and order situation in the U.T. of Delhi has been under control since January, 1985. During this period the Delhi Police in addition to making arrangements for maintaining law and order, for the National as well as various traditional festivals, acquitted itself creditably in making adequate and reliable security arrangements for various international Conferences like Six Nations Summit Conference, Ministerial conference of Non-aligned and other developing countries, conference of foreign Trade Ministers regarding GSTPs etc. On communal front strict vigilance by Delhi Police was to a large extent responsible for maintenance of communal harmony in Delhi. The cases of bomb blasts on 10|11th May, 1985 were also worked out with utmost promptitude.
- (b) As far as total IPC cases are concerned during the first six months of the year, 15247 cases reported to the police. as against 15263 cases during the corresponding period in 1984.
- (c) Some of the important steps taken by the Delhi Police to check crimes and to instil a feeling of security in the mind of citizen are as under:—
  - (i) Increased police vigilance.
  - (ii) Intensive foot and mobile patrolling including armed patrolling with walkietalkie sets and wireless fitted motor cycles
  - (iii) A watch at possible hideouts of criminals.
  - (iv) Orders prohibiting carrying of bags etc. into cinema halls and others places of entertainment.
  - (v) Police pickets at strategic points and on the borders to check incoming buses and cars from neighbouring States and also those involved in commission of crimes.

- (vi) Action under the normal preventive sections of Cr.P.C. against bad characters and criminals.
  - (vii) Action under NSA against hardened criminals and stepping up of externment proceedings.
  - (viii) Continuous drives by the special squads of the districts to detect dacoits, robbers and other bad characters.
  - (ix) Strengthening of surveillance over known criminals.
  - (x) Organisation of Thikri Pehra and Patrolling by local residents and private chowkidars in coordination with police patrolling and pickets.
- (d) The Central Government had set up a Group under Shri S. D. Srivastava to study the Delhi Police Administration to increase its efficiency and improve its effectiveness. The report of the Group has since been received. Most of its recommendations have been accepted and implemented, which have contributed vastly to the modernisation and mobility of Delhi Police, thus equipping it to deal with emergent situations.

**Point No. 3**

*In Delhi 15 lakhs of people are living below the poverty line.*

20. The process of economic growth and the anti-poverty programmes have made a significant dent in the incidence of poverty in recent years. The percentage of people below poverty line for the country as a whole has gone down from 48.3 per cent in 1977-78 to 37.4 per cent in 1983-84\*. Although separate figures for Delhi are not available in this regard, it is quite likely that the accelerated rate of growth of 5.3 per cent in the national income during the sixth plan period would have its salutary impact on the incomes of the people in the U.T.

*Point No. 4*

*More than 50 people have died of starvation ad poverty during the last one year.*

21. This is not correct.

*Point No. 5*

*The Government's claim that the price rise in 1985 is comparatively less than in 1984 is not correct.*

22. It is not being claimed by the Government that there has been decline in the prices in general, though there are some commodities the prices of which have actually gone down. Government has been saying that the increase in the all commodities Wholesale Price Index (WPI) during the current year has been lower than that of last year. For example, during the current financial year so far (first 41 weeks upto the week ending 11-1-1986), the wholesale price index has moved up by 3.1 per cent as against 5.9 per cent during the same 41 weeks in 1984-85. This shows that the rate of increase in the wholesale price index during the current financial year is nearly half of the increase that took place during the corresponding period last year. This year, however, the All India Consumer Price Index (CPI) for Industrial Workers, a reference to which has been made in the Petition (para 2 of the Petition), is showing a little higher increase than the wholesale price index. The two indices are not strictly speaking, comparable because the composition of the commodities covered varies very significantly. While the farmer, apart from essential commodities also included services, the latter is only related to prices of commodities. The weighting diagram for the two indices are different. The base year for CPI for industrial workers in 1960-100 while in the case of WPI it is 1970-71-100. Time-lag also affects the movement of two indices to some extent. However, it has been seen that in the long run the two indices move or less in consonance with each other.

*Point No. 6*

*In the period of 5 1/2 years there has been a price rise of 258 points whereas during the two years of Janata Party rule (from June 1977 to June 1979) the price rise was only 24 points.*

23. The reference seems to be regarding the rise in the consumer price index for industrial workers in Delhi. The extent of price rise varies from one period to another because various factors, both

International and domestic, influence the prices. It is these factors rather than the rule of a particular party or a party leader which are mainly responsible for rise in prices. During the last 5½-2 yrs the country witnessed, as has been indicated earlier, two disastrous droughts in quick succession in 1979-80 and 1982-83. Again, the country had to face two oil shocks, first during 1973-75 and again during 1979-81. The support/administered prices of several commodities were raised during the last 5½-2 years.

24. Moreover if we take different periods the results also become different. For instance, if the period June 1977-June 1979 is compared with the preceding two year period June, 1975-June, 1977, a more favourable picture emerges for the earlier period. Between June, 1975 and June 1977, the CPI for industrial workers for Delhi recorded an increase of 12 points or 3.5 per cent as against an increase of 25 points or 7.1 per cent between June 1977 and June 1979. The All India Consumer Price Index for Industrial Workers actually declined by 8 points or 2.4 per cent in the former period in contrast to a rise of 25 points or 7.8 per cent during the latter period.

25. It may also be added that while there has been significant increase in the prices during the Sixth Plan period, the rate of growth in incomes during the Plan period has been much higher than the general growth rate in the earlier Plan periods. While the national income statistics for Delhi are not available for 1983-84 and 1984-85, during the first three years of the Sixth Plan, the per capita income of Delhi increased from Rs. 2639 in 1979-80 to Rs. 3314 in 1982-83, showing an increase of 25.6 per cent.

*Point No. 7*

More than 50 per cent increase in the prices of sugar, cement, pulses, rice and rajma during the last one year.

Prices of vanaspati, oil, tea etc. have registered increase during the past two-three years.

Prices of vegetables have generally increased by 100 per cent over the last one year.

26. While there has been some increase in the prices of a few commodities, the extent of increase during the past one year is significantly less than 50 per cent in most of the essential commodities indicated in the Petition. The prices given for January, 1980

in the Petition seem to be on the lower side in many cases. A statement indicating the retail prices of 22 commodities in January, 1980, November, 1984 and November 1985 and January 1986, is given at Annex-I. This statement alongwith figures given in the Petition, shows the price data furnished by the Delhi Administration. The figures in Annex-I also indicate that the prices of a few commodities like sugar, cement and tea have lately softened. Annex-II shows the trend in prices of 20 commodities sold by Super Bazar. While the prices of vegetables are higher than that of last year, the increase is generally much less than 100 per cent as is indicated by the figures furnished by the Super Bazar, Delhi given below:—

*RETAIL PRICES OF VEGETABLES IN SUPER BAZAR.*

S.No. Name of the Item	15th Nov. 1984	15th Nov. 1985	29th Jan. 1985	29th Jan 1986
1 Potatoes per Kg.	1.50	1.40	0.80	1.50
2 Onions per kg.	1.50	1.75	1.50	2.00
3 Tomatoes per kg.	2.00	4.00	2.00	2.00
4 Lemon 1 Kg.	8.00	5.00	6.00	5.00
5 Palak per Kg.	0.90	1.30	1.20	2.50
6 Cauli flower per kg.	1.70	2.80	1.60	2.00
7 Beans per kg.	4.40	6.00	7.00	7.00
8 Peas per kg.	5.00	8.00	2.60	2.40
9 Brinjal per kg.	0.90	1.40	1.40	2.50

**Point No. 8**

*Government itself has increased the prices of the articles sold at its own sale centres.*

If is a fact that there has been some increase in the prices of essential commodities supplied through the public distribution system. However, the prices for January, 1980 in the petition seems



to be somewhat lower than what they actually have been as is indicated by the figures given in Annex-III.

28. The prices of these commodities had to be raised for a number of reasons such as increase in support prices minimum statutory prices, increase in prices of petro-products abroad, increase in input costs, an rise in freight rate. In spite of the price hikes, there are still a few essential commodities like wheat, rice, kerosene and controlled cloth (supplied through the public distribution system) the prices of which are subsidised. Government has to keep not only the interests of the consumers in view but so also the interests of the farmers. We have to reduce our dependence on imports of essential commodities. It is in this context that recently the minimum statutory price of sugarcane supplied to the sugar mills and imported edible oils for the vanaspati industry and public distribution system were raised.

**Point No. 9**

There has been an additional increase of Rs. 100 to Rs. 500 according to a survey, in the expenditure of each family in Delhi due to rise in prices of food stuffs and essential commodities during the past one year with the result the poor and fixed income groups have been burdened.

29. In the absence of specific reference to the survey it is not possible to make specific comments. While it has already been indicated in the earlier replies that there has been increase in the prices of some essential commodities during the past one year, it would be necessary to have the specific details as to how the survey has arrived at an additional increase of Rs. 100 to Rs. 500 in the expenditure per family due to rise in prices of food stuffs and other essential commodities. Various measures taken by the Government to keep the prices of food stuffs and other essential commodities in check and also make them available through the network of public distribution system has been discussed earlier.

## ANNEX-I

## Retail Price of selected Commodities

Prices quoted in the petition

Prices furnished by Delhi Administration

Items	Unit	Prices quoted in the petition				Prices furnished by Delhi Administration			
		Jan. 80	Nov. 84	Nov. 85	Jan. 86 (30-1-86)	Jan. 80	Nov. 84	Nov. 85	Jan. 86 (30-1-86)
1	2	3	4	5	6	7	8	9	
Sugar	1 kg.	2.50	5.25	7.75	4.80	5.55	7.15	6.75	
Vanaspati Ghee	1 kg.	10.00	16.50	18.50	11.40	16.36	18.38	18.95 (Packed)	
Wheat	1 kg.	1.32	2.25	2.75	1.55	2.00	2.25	2.25	
Rice	1 kg.	2.00	3.50	4.50	2.20	3.50	4.30	4.00 to 4.50 (parmal)	
Rice (Basmati)	1 kg.	—	8.00	13.00	5.50	7.00	10.00	11.00 to 12.00	
Dal (Gram)	1 kg.	2.30	5.10	7.50	2.80	6.75	7.50	7.50	
Rajma (Chitra)	1 kg.	3.00	6.00	11.00	5.00	7.50	10.00	9.55 to 10.00	
Soap (Washing)	1 kg.	4.50	9.50	10.50	4.70	11.50	10.00	8.95 (Barry)	
Toilet Soap (Mama Cake)	Cake	1.40	2.60	2.85	1.70	2.60	2.60	2.60	

Surf . . . . .	1 kg.	2.00	21.00	22.75	12.50	17.00	19.50	21.50
Tooth Paste . . . . .	200 kg.	7.50	12.05	13.85	9.25 (Colgate)	10.80 (Colgate)	13.05 (Colgate)	13.50 (Colgate)
Vim . . . . .	2.5 kg.	7.00	14.75	28.00	9.40	12.50	15.75	18.10
Pencils . . . . .	Dozen	4.00	7.00	10.00	4.00 (Natraj)	6.50 (Natraj)	7.20 (Natraj)	7.20 (Natraj)
Tea (Loose) . . . . .	1 kg.	16.00	27.00	36.00	22.00	37.50	37.25	36.00
Coffee . . . . .	100 gm.	9.50	15.10	18.00	11.50 (Refill pack)	14.50 (Refill pack)	17.00 (Refill pack)	18.70 (Refill pack)
Bulb (100 watts) . . . . .	Piece	3.70	5.50	6.25	4.50 (Philips)	5.85 (Philips)	6.05 (Philips)	6.25 (Philips)
Match Box . . . . .	Dozen	1.00	2.25	3.00	1.50 (Ship)	2.25 (Ship)	2.75 (Ship)	2.75 (Ship)
Salt (Tata) . . . . .	1 kg.	0.60	1.25	1.75	0.60	1.25	1.75	1.75
Butter (Amul) . . . . .	500 gm.	3.50	18.00	20.00	12.50	18.00	19.25	19.50
Cup of tea . . . . .	one cup	0.35	0.60	0.80	0.35	0.50	0.75	0.60
Newspaper . . . . .	One	0.30	0.60	0.90	0.40* 0.35@	0.80* 0.60@	0.90* 0.70@	0.90* 0.70@
Cement (Free sale) . . . . .	1 bag	—	55.00	70.00	—	61.00	66.00	55.00 to 60.00

Note : Prices furnished by Delhi Administration, are of open Market at the end of the month.

## ANNEX-II

## Retail prices of selected commodities in super Bazar

S.No.	Name of the Item	15th Jan. 1980	15th Nov. 1984	15th Nov. 1985	29th Jan. 1986
1	Sugar per kg. loose	4.80	5.40	5.50	5.50
2	Rice Parrr al per kg. loose	2.35	3.60	3.55	3.55
3	Rice Basmati per kg. loose	4.25	7.20	10.85	11.85
4	Dal Gram per kg. loose	2.55	6.40	7.30	7.00
5	Rajma Chitra per kg. loose.	5.85	5.50	10.55	9.95
6	Salt Tata 1 kg. (packed)	0.95	1.35	1.55	1.55
7	Washing soap 555 per kg.	6.35	9.90	8.80	8.80
8	Toilet Soap (Hamam Cake)	1.60	2.50	2.65	2.65
9	Surf Detergent Powder 1 Kg.	16.60	19.80	21.80	21.80
10	Tooth Paste (colgate) 200 gm.	10.60	12.30	13.00	13.00
11	Vim 2 5 kg. pack	11.85	15.50	19.00	19.00
12	Tea loose (Super Bazar) per kg.	39.20	30.00	29.00	29.00
13	Coffee Nescafe 100 gm jar.	13.10	19.70	23.00	23.00
14	Match Box (Ship) per doz.	1.85	2.50	2.55	2.60
15	Anr ul Butter 500 gms.	N.A.	20.80	19.75	19.75
16	Bulbs 100 watts. Mysore	4.00	5.45	5.85	5.85
17	Pencil Camlin Supreme 1032 per box of 10 pencils	7.20	7.50	8.10	8.10
18	Candles 400 gms. packet	5.00	6.00	6.25	6.25
19	Controlled cloth per mts.	1.95	4.96	N.A.	2.88
		2.11	5.12		
20	Controlled Dhoti 9 mtr,	16.54	32.17 to 35.56	23.84	23.84

N.A.— Not Available

## ANNEX-III

## Rates of Essential Commodities at Government Authorised Shops

S.No	Name of the Commodity.	Quantity	Jan. 1980	Oct. 1984	Dec. 1985
1	Rice	1 kg.	1.76	2.41	2.50
2	Sugar	1 Kg.	2.85	4.00	4.80
3	Candle	One pkt.	1.60	4.10	4.70
4	Coal	100 kg.	31.38	59.25	67.00
5	Kerosene Oil	one litre	1.54	1.92	2.11
6	Petrol	one litre	4.41	6.12	7.00

  

Controlled Variety Cloth.	1980	1981	1982	1983	1984	1985
(i) P.L.C.	1.70 to 2.0	1.84 to 2.25	4.95	4.95	4.95	4.95
(ii) Dhoti (per mtr)	1.81 to 1.97	1.81 to 1.97	2.63	2.63	2.63	2.66
(iii) G.I.C.	1.50 to 2.11	1.50 to 2.11	3.50 to 3.95	3.50 to 3.95	3.50 to 3.95	3.50 to 3.95
(iv) Saree (Grey pm)	2.16	2.16	2.93	N.A.	N.A.	N.A.
(v) Shirting	1.93 to 2.61	1.93 to 2.61	4.43 to 5.54	4.43 to 5.54	4.43 to 5.54	4.43 to 5.54
(vi) yed	1.78 to 3.38	1.78 to 3.38	5.14	5.14	5.14	5.14

A.— Not Available

## APPENDIX V

(See para 5.1 of the Report)

[Representation from Shri N. Banerjee, Retired Section Officer, Railway regarding discrimination in the issue of number of Post Retirement Complimentary Railway Passes to Gazetted Officers on Railways]

To

Respected Begum Abida Ahmed Ji, M.P.,  
Chairperson, Petitions Committee,  
Lok Sabha, New Delhi.

Subject: Discrimination in the Issue of Number of Post Retirement Complimentary Railway Passes between different Gazetted Officers on Railways.

Madam,

Respectfully, I beg to bring to your kind notice the injustice that is being done to me after rendering over 26 years service on the Railways|Railway Board.

2. I joined the Railway Department as Class III employee and after having put in very long service, was promoted along with my other colleagues to Class II (Gazetted) service as Section Officer in Railway Board w.e.f. 8.6.1984 and from this date I was allowed to avail of six sets of 1st Class White Railway Passes. I retired from service w.e.f. the afternoon of 31.12.85 i.e., after having worked as a regular Gazetted Railway Officer for more than 1-1|2 year (s).

3. As per existing Railway Rules, a Railway servant who has worked as a Gazetted Railway Officer for three or more than three years and retires from Railway service after rendering 25 years service, is entitled to Three Sets of 1st Class White Complimentary Passes after retirement. As I had not completed 3 years' service as a Gazetted Railway Officer, I am entitled to Two sets of 1st Class Green Complimentary Railway Passes and thus, I have not only been deprived of One Set of 1st Class Railway Pass but also downgraded to get 1st Class Green Passes meant for Non-Gazetted Railway employees, though I retired as a Gazetted Officer and this is

quite discriminatory as I would have continued to work as a Gazetted Class II Railway Officer but for my retirement from service; whereas such of my juniors who will complete 3 years' service as Gazetted Officers, will get 3 Sets of Post Retirement|Complimentary. White Railway Passes.

4. In view of the position explained in the preceeding para I very humbly submit that the existing rule for grant of 3 sets of Post Retirement Passes to Gazetted Officers who have worked as such for 3 or more years, requires revision; as when the aforesaid Rule was made about 30 years ago, the grant of Pension to all Railway employees was worked out on the basis of the average pay drawn by them during the last 36 months prior to their retirement and now the Pension is sanctioned on the basis of average pay drawn by an employee during the last 10 months prior to his retirement. The Govt. have also liberalised many other conditions of service of their employees viz. Leave Salary to staff is paid on the last pay drawn i.e. pay drawn on the day prior to the date from which he proceeds on leave. An employee is also sanctioned Death-cum-Retirement Gratuity on the pay drawn by him on the last day of his service before retirement. Directly recruited Class II Officers are issued 1st Class White Railway Passes from the first day of their appointment in the Railway Service.

5. In view of the position explained in the preceeding para 4 above, it is not understood as to why the Railway Board are not allowing 3 sets of Passes to their employees who are regular Gazetted Officers and retire from their posts after having worked over one year as Gazetted Officers.

The Petitions Committee are requested to kindly have the justice done to me by removing the discrimination in the existing Post Retirement Railway Passes to Gazetted Class II Officers, which the directly recruited Class I Top Officers of the Railway Board, the deciding authority, are delaying on one plea or the other, inspite of several representations from their own staff.

Thanking you,

New Delhi;

Dated: 14.1.1986

Yours faithfully,

Sd/-

(N. Banerjee)

Address: Sector IV|267

R. K. Puram,

New Delhi-110022.

## APPENDIX VI

(See para 5.1 of the Report)

[Representation from Shri K. P. Halder, Retired Section Officer, Railway (Railway Board) regarding discrimination in the issue of number of Post Retirement Complimentary Railway Passes to Gazetted Officers on Railway].

To

Respected Begum Abida Ahmed ji, M.P.  
Chairperson, Petitions Committee,  
Lok Sabha, NEW DELHI.

Sub: Discrimination in the Issue of Number of Post Retirement Complimentary Railway Passes between different Gazetted Officers on Railways.

Madam,

Respectfully I beg to bring to your kind notice the injustice being done to me.

2. I joined the Railways as a Class III employee on 22-7-1946 and rendered more than 38½ years service on the Railways/Railway Board. I was promoted to Class III (Gazetted) service as a Section Officer in Railway Board w.e.f. 9-9-81 on the basis of the seniority, but after 1½ years officiating I was reverted due to revised major policy decision for promotion and the revision of the Seniority List in March, 83. Again I was promoted as Section Officer on 31-5-84 and worked as such till retirement on 31-1-85. During this period of my service as Section Officer, I was allowed to avail six sets of 1st class White Railway Passes annually. I retired from service w.e.f. the afternoon of 31-1-85 after having worked as a regular Gazetted Railway Officer for more than 2 years in two stages. In between also I worked as a Section Officer for 2 months from 7-12-83 to 3-2-84 against the local vacancy. My name is also appearing in Select List of Section Officers Grade of the Railway Board Secretariat Service for 1983, vide office Order No. 30 of 1985 dated 4-3-85, which confirms regularisation of my service as a Section Officer prior to my retirement.

3. As per existing Railway Rules, a Railway servant, who has worked as a Gazetted Railway Officer for three or more than three



years and retires from Railway service after rendering 25 years total service on the Railways/Railway Board, is entitled to three sets of 1st class white Passes after retirement. As I had not completed 3 years' service as a Gazetted Railway Officer, I am now entitled to two sets of 1st class Green Passes and thus, I have not only been deprived of One set of 1st Class Post Retirement Pass but also downgraded to get 1st Class *Green* Passes meant for Non-Gazetted Railway Employees though I retired as a Gazetted Officer and my name is appearing in the select list of Section Officers for 1983. This is quite discriminatory as I would have continued to work as a Gazetted Class II Railway Officer right from 9-9-81 till the retirement on 31-1-85 but for the revision of the Assistants' Grade Seniority List following revised Policy decision by the Government.

4. In view of the position explained in the preceding para, I humbly submit that the existing rule for grant of 3 sets of Post-Retirement Passes to Gazetted Officer requires revision. The following developments squarely justify immediate revision of this Rule:—

- (a) the aforesaid Rule was made about 30 years ago when the grant of Pension used to be worked out on the basis of the average pay drawn during the last 36 months prior to retirement but now the Pension is sanctioned on the basis of average pay drawn by an employee during the last 10 months prior to his retirement;
- (b) the Government have also liberalised many other conditions of service of their employees viz. Leave Salary to staff is paid on the last pay drawn i.e., pay drawn on the day prior to the date from which he proceeds on leave instead of average pay for last 3 months as in the past;
- (c) an employee is also now sanctioned Death-cum-Retirement Gratuity on the pay drawn by him on the last day of his service before retirement;
- (d) directly recruited Class II Officers are issued 1st Class White Railway Passes from the first day of their joining the Railway service.

5. In view of the position explained in the preceding para 4 above, it is not understood as to why the Railway Board are not allowing 3 sets of passes to me even though I rendered 38½ years service on the Railway with more than 3 years working as a Section Officer and having been appeared in the Select List of Section Officers for 1983.

6. The Petitions Committee are requested to kindly have the matter looked into and ensure justice done to me by removing the discrimination in the number and type of the existing Post Retirement Railway Passes.

Thanking you,

Yours faithfully,

Sd|-

(K. P. HALDER)

Retired Section Officer,  
Railway Board.

*Address:—*

Shri K. P. Haldër, "MUM HOUSE"  
Post & Vill. Mallikpur (Rly. Stn.)  
Distt. 24 Parganas  
West Bengal—743353.

APPENDIX VII

( See Para 7.1 of the Report )

[Other representations which were not admissible as petitions]

Sl. Name and No. Address of petitioner	Brief subject and points raised	Facts pursued by the Committee	
1	2	3	4
1. Shri Kali Ratan Deb Krori, No. 55, Khalipara Colony, P.O. Birobanagar, G.hnhati-781018	Regarding payment of full compensation for properties to the refugees of erstwhile East Pakistan migrated to India before 19-7-1948.	<i>Ministry of Home Affairs (Department of Internal Security—Rehabilitation Division)</i>	In their factual note dated 3-3-1986, the Ministry of Home Affairs (Department of Internal Security) stated as follows:—
<p>That I am a Bengali Hindu, and a former British Indian as defined in the Government of India Act, 1935. Before the partition of India, having paternal properties held jointly worth of crores of Rupees according to present market value in the village Lakshmbassa, (Krorigram) in the District of Sylhet in Erstwhile East Pakistan (New Bangladesh) like many other refugees of my category. I am presently a citizen of India under Article 6 (b) (i) of the Constitution of India, having migrated to Indian Union before 19th July, 1948. And also I am a displaced person from Erstwhile East Pakistan as confirmed by the Government.</p>	<p>“The properties left behind by the displaced persons in former East Pakistan were governed by the Nehru-Liaquat Agreement of April, 1950. The D.Ps. retained their proprietary rights in the properties left behind by them in that country and they could sell, exchange or dispose them of in any manner they liked. In view of this, no applications for compensation were invited and no compensation was payable.</p>		
<p>That the pre-independence leadership of India in order to get rid of British dominance, agreed for partition of India on communal basis between Indian Union and Pakistan, thereby there was great possibilities of migration of religious minorities from both the dominions <i>vice versa</i> and the then leaderships agreed for the rehabilitations of such uprooted victims of partition and said commitment is enshrined in the seventh schedule of the Constitution of India under entry No. 27 of the concurrent list.</p>	<p>Under the scheme being administered by the Ministry of Commerce, the applicant had already got <i>ex-gratia</i> relief from the Custodian of Enemy Property for India, Bombay. Under this scheme, the migrants from former East Pakistan, who had registered themselves as Indian nationals on or before 15-3-1971 and had filed claims before 31-7-1977 in respect of properties taken over as “enemy property” by Pakistan, during and after the Indo-Pakistan Conflict of September, 1965, got <i>ex-gratia</i> relief from the Custodian of Enemy Property of India, Bombay. In his earlier application Shri Krori had stated that he along with three other co-sharers was paid <i>ex-gratia</i> relief of Rs. 1,07,248 under this scheme against Rs. 4,28,992 being the assessed value of their property.</p>		

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That according to English Dictionary (1) Relief means *inter alia* 'the lightening or removal of any burden, discomfort or evil, pressure of stress'. (2) Rehabilitation means *inter alia* 'to reinstate, restore to former privilege, rights ranks etc. therefore payment of full compensations of properties left in Erstwhile East Pakistan come under rehabilitation'.

That as was anticipated the exodus of the religious minorities of the either of the dominions from East and West Pakistan started at the time of declaration of partition of British India by the British Government in the month of August 1947 and persons of religious Hindu Minority from East Pakistan and religious Hindu and Sikh minorities from West Pakistan started to India as a result of communal disturbances and myself along with all of my family members migrated to Indian Union before 19th July, 1948 from the Erstwhile East Pakistan like many others, leaving the properties and belongings. I demanded from the Government of India for compensations of the properties left by us, but I was unconstitutionally refused full compensation at par with the West Pakistan refugees on the plea of Nehru Liaquat Ali Pact of 1950 and directed me to hand over the properties to the Custodian of Evacuee Property Management Committee of East Pakistan Ramna Dacca, which I Complied with the help of the Ministry of External Affairs of the Government of India, New Delhi and a notification was published in the Dacca Gazette announcing the taking over of a part of the property. Later after Indo Pakistan conflict of 1965 the evacuee property turned to enemy property by Pakistan Government.

That by mandate of the Constitution of India, the refugees migrated from East Pakistan before 19th July, 1948 have to get equal treatment with the refugees from West Pakistan, both the categories being the citizens of India under Article 6 (b) (i), but unfortunately the Government of India over looked the legal provisions and wrongly denied full compensations of the properties to East Pakistan refugees citizens under Article 6 (b) (i).

That the Constitutional Law granting citizenship right to the refugee migrated from Erstwhile East Pakistan before 19th July, 1948 and also equality before law under Articles 14 and 15 and granting relief and rehabilitation

The applicant is also eligible for remission of loan amounting to Rs. 3,052 if he has not already repaid the same.

The D.Ps. from West Pakistan were not paid full value of their varified claims in respect of properties left behind by them in West Pakistan. In low value claims of Rs. 500 to Rs. 10,000 the compensation was given from 41% to 66%. Against claims of Rs. 12,000 to Rs. 20,000 compensation given was 33% to 38% and against claims of Rs. 20,000 to Rs. 1,00,000/- the compensation has been 32% to 12%. For the claims above Rs. one lakh upto Rs. 18,00,000 and above the compensation is 10% or 11% subject to a maximum of Rs. 2 lakhs. Further public dues, cost of properties allotted for resettlement, loans and pre-partitioned debts determined under the Debts Adjustment Act were recovered/adjusted against the compensation claims.

Under the Displaced persons (Compensation and Rehabilitation) Act, 1954 and the Rules thereunder a D.P. from West Pakistan would have got compensation of Rs. 76,321 as against varified claim of Rs. 4,28,992. This amount was also subject to further reduction of loan etc. granted to the family. Whereas as per Shri Karori's own admission they got Rs. 1,07,248. It will thus be seen that the family of Shri Karori received Rs. 30,927 more as *ex-gratia* relief even without reducing the loan taken by them."

under entry No. 27 of the Concurrent list of Seventh Schedule of Constitution of India were passed on the 26th November, 1949, by Constituent Assembly, and the Constitution of India came into force on 26th January, 1950. The provisions and guarantees enshrined in the Constitution of India, cannot be superseded by Nehru-Liaquat Ali Pact 1950, which was signed after the Constitution of India came into force. But the Government of India is overlooking the constitutional provisions and refusing full compensations for the properties left by East Pakistan refugees who migrated to India before 19th July, 1948.

That I am in constant correspondence with the Ministry of External Affairs, Government of India, who are unable to give a satisfactory solution, though being repeatedly requested.

That with the publication of disturbing reports in the press about the decision of the Bangladesh Government to dispose of the evacuee properties unilaterally, by rejecting India's request, the whole thing is required to be seen afresh. According to press reports, there was a demonstration before the Bangladesh High Commission. The issue at New Delhi causing deaths in Police firings, which suggests that the issue is going to street, which is not at all desirable by right thinking public men.

That it is widely known, some of top ranking leaders of pre-partition days assured that all the victims of partition who might have to lose their heart and home as a result of partition of British India, would be reasonable compensated, and rehabilitated. If these commitments be not honoured, the future history of India will not excuse them for the false hope and assurance given to the victims of partition of British India. Therefore, specially in the interest of those leaders, who assured and committed to victims of partition for their rehabilitation, actions are required to be taken to fulfill their commitments to make them free from the commitments.

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Under the circumstances, I, as an aggrieved person from a weaker section of Indian citizens, and also in the public interest, pray to you to kindly look into the matter in respect of full compensation of properties left by East Pakistan refugees who migrated to India, before 19th July, 1948, whether they are in the same footing with the West Pakistan Refugees, in the eye of the Constitution of India, and entitled for privileges equally for rehabilitation including payment of full compensation for the properties left by them in erstwhile East Pakistan (Now Bangladesh) at par with the West Pakistan Refugees.

And such categories of East Pakistan refugees cannot be prevented by Nehru-Liaquat Ali Pact of 1950, and if it is held that both the categories as aforesaid, of refugees from East Pakistan and West Pakistan, migrated before 19th July, 1948, are in same footing in the eye of Constitutional Law, as stands now, and plea of Nehru-Liaquat Ali Pact, 1950, is not maintainable and unconstitutional. The Government of India may be directed to pay the full compensation of properties left by them in East Pakistan, at par with the West Pakistan Refugees.

The subject matter of this application is no way connected with *ex-gratia* payments by the Custodian of Enemy Property for India under the Ministry of Commerce, and loans for relief given by the Ministry of Rehabilitation, and the amounts, if any paid to them by the aforesaid authorities, may be deducted from the amount of full compensations, when paid."

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I Shrimati B. Sukumari Regarding grant of Amma, T.C. 17/ family Pension. 1354, Geethalayam Poojappura, Tri-  
v<sup>er</sup>ndrum-12.

*Ministry of Home Affairs*

In their factual note dated 17.3. 1986, the Ministry of Home Affairs stated as follows: —

I am the widow of late Shri K. K. Madhavan Nair, a member of the Indian Independence League. My husband while he was alive applied for Freedom Fighters Pension and the Government of India though acknowledged his application did not sanction pension to him till his death. After his death I applied for family pension and I have not so far been given the pension in spite of my repeated requests. The Government of India have not so far furnished any reply to my letters to them.

The Government of India reference on this subject is No. 19/180/81/F.P. INA II (M)/(6). Copy of Certificate issued by the All India INA Committee headed by our late Prime Minister Indira Gandhi is enclosed.

(See Annexure)

I humbly request you to take up the matter with the Government of India and direct them to sanction the family pension to me as early as possible. My sole income is the family pension of Rs. 150/- sanctioned by the Government of Kerala as Freedom Fighters Pension and with this amount myself and my children have to eke out a living. The plight of our family can well be imagined by your goodself in these circumstances.

It is, therefore, once again prayed that your goodself may direct the authorities to sanction the pension as early as possible as it is pending with the Government of India from 1981 onwards.

“Shri K. K. Madhavan, husband of Shrimati B. Sukumari Amma had applied for grant of freedom fighters pension being ex-INA personnel from Civilian Category. His case has been examined carefully, but it is regretted that it has not been found possible to grant FF pension to him as his claim has not been found credible. Hence his case has been rejected and Shrimati B. Sukumari Amma has been informed accordingly. It may be mentioned that a large number of applications were received from Kerala, where period and other details of suffering were filled in green ink in the same hand. This has created doubt about the genuineness of the claim. Instant case is one of them”

**ANNEXURE to APPENDIX VII**

**ALL INDIA I.N.A. COMMITTEE  
APPOINTED BY**

**THE ALL-INDIA CONGRESS COMMITTEE  
CHAIRMAN**

**SHRIMATI INDIRA GANDHI**

Ref. No. 8|2|1233|EMP  
Telephone: 273532

82, DARYAGANJ, DELHI-6  
Dated 28th April, 1971.

**CERTIFICATE**

This is to certify that Shri K. K. Madhavan Nair, was a member of the Indian Independence League, a body working side by side with the I.N.A. under the direction and control of the Provisional Government of Free India, headed by Netaji Subhas Chandra Bose. As such he is a political sufferer and entitled to all the concessions allowed to other political sufferers.

His particulars are as under:—

Father's Name : Shri K. Raman Pillai

**HOME ADDRESS.**

Geetalayam T.C. 14/860,

Poojapura, Trivandrum.

Character while in the I.I.L.

**VERY GOOD**

Sd|-

(JAGDEV SINGH) Col. INA,  
Joint Secretary.



3 Shri V. Kunhikrishna Menon, Vari-thodi House, Anamangad-Post, Malappuram District, Kerala-679357.

I am a Freedom Fighter. I am in receipt of State Governments Freedom Fighters pension with effect from 12-4-1983.

On 10-10-1983 I had applied for SAINIK SAMMAN PENSION to the Ministry of Home Affairs. On 21-3-1984 the Ministry in their letter No. 119/2037/84 F. F. SZ informed me that ".....your application dated 10-10-1983 was received after the last date fixed for receipt of application, namely 31-3-1982. As such the Government of India regret their inability to consider the same".

I have come to know from reliable sources that the Government of India had condoned delay in several cases. So, on 18-7-1985 I had also submitted an application, through Shri V. S. Vijayaraghavan M.P., stating the reasons for delay and requesting to condone the delay. But, I regret to say that the Ministry instead of condoning the delay rejected the application vide their No. 119/2037/84. F. F. SZ dated 15-9-1985 stating ".....As Shri V. K. Menon has not furnished any documentary evidence in support of his claimed imprisonment, his application for grant of Samman Pension could not be considered".

In the first letter dated 21-3-1984 the Ministry had stated that the application was received late, as such it cannot be considered. In other words had my application been received in time, it could have been considered.

In the second letter dated 15-9-1985 the Ministry stated that ".....as he has not furnished any documentary evidence in support of this claimed imprisonments, his application for grant of Samman Pension could not be considered.

First time the government stated the application was received late. Hence it cannot be considered.

When I had submitted an application for condoning the delay, the Government rejected the original application, (not the application requesting to condone the delay) stating that I had not submitted any documentary evidence in support of my claimed imprisonments.

#### Ministry of Home Affairs

In their factual note dated 21-3-1986, the Ministry of Home Affairs stated as follows:—

"Shri V. K. Menon applied for grant of Swatantrata Sainik Samman Pension under the liberalised pension Scheme on 10-10-1983 after the last date fixed for receipt of applications i.e. 31-3-1982. The applicant has claimed that he had undergone the following suffering:—

1. Detention from April 1930 to March, 1931 in connection with Civil Disobedience Movement.
2. Participation in Malabar Teachers Struggle 1939-40, which has not been recognised by the Government of India as a part of National freedom struggle for grant of Samman Pension.
3. Loss of job from an aided school.

In support of the claimed suffering at (i) above he had not furnished any documentary evidence from official records and as per our policy in this regard, delay in such cases can only be condoned. Where the application is accompanied by adequate documentary evidences from official records clearly showing at least 6 months imprisonment/suffering and reasons for delay in applying. As regards loss of job claimed by the applicant he is not eligible for Samman Pension as his service were terminated from a private School. Loss of job from a private institution is not recognised as qualifying suffering for purpose of our scheme.

As such Shri Menon's application for grant of pension has been rejected and he has been informed of the decision."

Instead of rejecting my application the Government could have asked me to furnish the evidence they required. The Government could have verified the correctness of my claimed sufferings. The Government's *ex-parte* action pains me very much.

In this connection<sup>1</sup> I may submit that it is not correct to state that I had not furnished any documentary evidence to prove my claimed imprisonment. I had submitted certificates from three well-known freedom fighters, who had undergone not less than two years imprisonments, to prove my claimed sufferings. Names of the freedom fighters are furnished below:—

- 1 K.M. Kunhanunni F.F. No. 519 Six-Nair Amaravathy tenth Dictator in Mannarghat in K. P. C. C. Palghat District.
- 2 P.V. Kunhunni Nair F. F. No. 523 Ex-Chalavara M. L. A., Kerala Ottapalam Assembly from Palghat District. Ottapalam Constituency.
- 3 P.K. Narayana F. F. No. 622. Menon Navodayam Danagram P. O. Pudukode Ramanattukara Malappuram District.

My claimed imprisonments are furnished below:—

I had taken active part in Civil Disobedience movement by picketing toddy/foreign cloth shops in erstwhile Walluvanad Taluk during 1930-31. The police arrested and the Sub-Magistrate remanded me in Ottapalam Sub Jail. I had remained over six months (about ten months) in the Sub Jail. I was not imprisoned as I was a minor-16 years of age. No records to this effect are available in the Sub-Jail. As prisoners are not kept in the Sub Jail for long time co-prisoners certificates are also not available. It was under these circumstances that I obtained and submitted certificates from well-known Freedom Fighters.

If additional documents are required to prove my sufferings, I am prepared to do so.

It is presumed from the Ministry's letter dated 15-9-1985, that my application for condoning the delay is acceptable.

In the lights of the above facts, and I am aged 72, I request you to be kind enough to advise the Government to consider my application for the grant of Samman Pension.

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PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND CONDUCT  
OF BUSINESS IN LOK SABHA (SIXTH EDITION) AND PRINTED BY THE  
GENERAL MANAGER, GOVERNMENT OF INDIA PRESS,  
MINTO ROAD, NEW DELHI.