

COMMITTEE ON PETITIONS
(TENTH LOK SABHA)

SEVENTEENTH REPORT



[Presented to Lok Sabha on 24 August, 1994]

LOK SABHA SECRETARIAT
NEW DELHI

August, 1994/Sravana, 1916 (Saka)

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COMPOSITION OF THE COMMITTEE ON PETITIONS
(1993-94)

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**SEVENTEENTH REPORT OF THE COMMITTEE ON PETITIONS
(Tenth Lok Sabha)**

INTRODUCTION

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

- (1) Representation relating to review of continuance of Cost of Production Schemes and transfer of Cost of Production Scheme on VFC Tobacco in Andhra Pradesh etc.
- (2) Representation from Handloom & Textile Employees' Association, West Bengal, regarding financial assistance to handloom sector.
- (3) Action Taken by the Government on the recommendations made by the Committee on Petitions (Tenth Lok Sabha) in their Fourteenth Report on representation from Shri M. V. Hareesh Kumar seeking employment on compassionate grounds in the Fertilizers and Chemicals Travancore Ltd. (FACT), Kerala.

2. The Committee considered the draft Report at their sitting held on 20 December, 1994 and adopted it.

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

NEW DELHI;
20 December, 1994

29 Agraphayana, 1916 (Saka).

P. G. NARAYANAN,
Chairman,
Committee on Petitions.

REPRESENTATION RELATING TO REVIEW OF CONTINUANCE OF COST OF PRODUCTION SCHEMES AND TRANSFER OF COST OF PRODUCTION SHCEME ON VFC TOBACCO IN ANDHRA PRADESH ETC.

A representation dated 14 June, 1993 (See Appendix-I) signed by Shri V. Venkata Rao, Joint Secretary, Citizens' Forum, Kondapi, Prakasam District, Andhra Pradesh, was received through the Hon'ble Deputy Speaker, Lok Sabha, on the review of continuance of Cost of Production Schemes and transfer of Cost of Production Scheme on VFC Tobacco in Andhra Pradesh etc. A communication dated 2 November, 1993 was also received from Shri Basudeb Acharia, M.P., for early action in the matter.

1.2 In the representation it has been stated *inter-alia* that the Government of India, Ministry of Agriculture (Directorate of Economics and Statistics) have initiated 27 Cost of Production Study Schemes on cost of cultivation of principal crops grown in India with a view to generate basic cost data at grass-root level, in order to assist the Commission on Agricultural Prices and Costs to fix minimum support prices for the crops grown by our farmers by way of comprehensive scheme. The petitioners have prayed for:

- (i) considering the necessity of continuance of the Cost Study Schemes relating to cost of cultivation of principal crops grown in India;
- (ii) transfer of Scheme for study of cost of cultivation of VFC tobacco in Andhra Pradesh from Directorate of Tobacco Development, Madras, to Tobacco Board under the Ministry of Commerce which came into being in 1975;
- (iii) abolition of Directorate of Tobacco Development, Madras, which has no original activity of its own except the study on cost of cultivation of VFC Tobacco on Andhra Pradesh.

1.3 The Ministry of Agriculture (Department of Agriculture and Cooperation) were asked to furnish their comments on the various points contained in the representation, which have since been received and considered by the Committee. The Committee also took oral evidence of the representatives of the Ministries of Agriculture and Commerce on 4 July, 1994.

1.4 The Comments of the Ministry of Agriculture etc. and the views expressed by that Ministry and the Ministry of Commerce on various points during oral evidence are summarised below:

I. Reconsideration of Continuance of Cost Study Scheme

The Comprehensive Scheme on Cost of Cultivation/Production of principal crops in India is under implementation since 1970-71 to undertake studies on cost of production of crops on-regular and comprehensive basis in 16 major States of the country. The data collected under the Comprehensive Scheme is used by the Commission for Agricultural Costs and Prices for making their recommendations about the level of minimum/statutory prices of various agricultural commodities. In addition, the data collected under the scheme provides useful information about the output/input ratios, relative profitability of various crops, level of use of various inputs including trend in employment and indicate the efficiency of use of various inputs. As such these informations are quite useful for identifying the constraints of increasing yield of various crops in different regions and also helps in improving the efficiency of various inputs. All this statistics provide a sound base for making plans for agricultural development for future and, as such, these studies should be continued on a regular basis to sustain growth in the sector.

During evidence before the Committee, the representative of the Ministry of Agriculture elucidated the matter as follows:

“The generation of cost estimates for various crops has been a scheme under the Ministry of Agriculture since 1970-71. Now, this is supposed to be a function to assist the Commission for Agricultural Costs and Prices (CACP), to assist them in arriving at a minimum support price for procurement or otherwise of various crops that are elaborated there. Now, the tobacco is one of the commodities for which CACP gives their recommendation. In the year 1967, this was one of the items. So, this was started at that point of time. The task of working out the cost of cultivation at that time was appropriately given to the Directorate of Tobacco Development in Madras. Therefore, the staff which was created for this scheme was placed under the Directorate of Tobacco Development, Madras.”

II. Transfer of Scheme of VFC Tobacco from Directorate of Tobacco Development, Madras

Crops Division in the Ministry of Agriculture has decided about three years back to reorganise their commodity Directorates including the Directorate of Tobacco Development, Madras. During the review of the functions of the Directorate of Tobacco Development by the Ministry of Agriculture, it was observed that as the major functions of the Directorate was to undertake development work for the promotion of cultivation of tobacco in the country and transfer of technology in the field for this crop, the involvement of the Director of Directorate of Tobacco Development in the Comprehensive Scheme for studying cost of cultivation of VFC Tobacco is causing some hindrance to the assigned functions of the Directorate of Tobacco Development. It was, therefore, decided to shift

the Comprehensive Scheme from the Directorate of Tobacco Development to some other research centre. Accordingly, it was agreed to shift the Cost Study on VFC Tobacco to the Agro-Economic Research Centre, Waltair, under the Andhra University. The modalities of the transfer of the scheme are being finalised and the transfer would be effected after due consideration of the interests of the staff working under the scheme.

However, during evidence before the Committee, when asked to state as to why should not the cost study on VFC Tobacco be transferred to the Tobacco Board, the representative of the Ministry of Agriculture stated as under:

“Subsequently, when there was a question of reorganisation of the Directorate of Tobacco Development, it was decided to transfer this scheme. So, in the first instance, it was suggested that it could be given to the Tobacco Board. There was no question of transferring the scheme without the staff. This was in the year 1989. In 1990, it was decided to explore the possibility of transferring the scheme to the Agro-Economic Research Centre, Waltair, under the Andhra University. The Centre was willing to take over the scheme along with the staff. But they demanded a fund of Rs. 10 lakhs. Now, because of this extra payment, which the Research Centre, Waltair in Andhra Pradesh placed before us, this could not be agreed because the scheme itself is not a permanent scheme. Therefore, this proposal fell through. Then again Andhra Agricultural University was implementing the scheme for the cost of cultivating for various crops. It was suggested that they may take up this scheme. But whenever, it came to question of transferring the staff, the discussions blocked at that point and so far there is no takers for staff. Our problem is that we cannot wind up the scheme. This particular staff is of a temporary nature and various alternatives have been thought about. But the staff which is engaged in the cost of cultivation activities is such staff which cannot be absorbed in the other activities of the Directorate of Agriculture or Directorate of Tobacco Development in Madras.”

When asked to state the reasons for not taking the staff of the Ministry of Agriculture, the representative of the Ministry of Commerce stated that the staff of the Ministry of Agriculture was expert in cost study. The Ministry of Agriculture fixes and announces minimum support prices of all crops every year on the basis of their functions. Therefore, delinking a particular variety of tobacco and to say that cost study for that should be undertaken by Tobacco Board and cost study of variety of tobacco would be undertaken by other organisation did not seem to be rational. The responsibility of cost study should be of the Economic and Statistical Division of the Ministry of Agriculture.

Asked to explain as to what sort of problems will be faced by the Ministry of Agriculture by shifting the duty of fixing of cost of VFC to the

Ministry of Commerce, the representative of the Ministry of Agriculture stated as under:—

“The discussion did take place with the Ministry of Commerce about transferring this function to the Tobacco Board. But the Ministry of Commerce stated that they would be prepared to take it up without the staff. If the staff is left outside and the function goes to the Tobacco Board, then it will create another kind of problem.”

The Commerce Secretary however stated that in his view the basic function of recommending the Minimum Support Price should vest with the Ministry of Agriculture and should not be given to any other Ministry. He further added:

“One is development, the Ministry of Commerce had to see how to encourage cropping of particular type of tobacco which was having good export potential.

Second aspect was price support. On that I am quite categorical. There is no question that the Commerce Ministry will take up the price support function. The price support policy has to be an integrated policy for a variety of crops. One single Commissioner for Agricultural Costs and Prices has the advantage that by seeing what are the relative prices, what is the direction by which the Government wants the cropping pattern of the farmers, of fixing the price. If we fix the price for a particular commodity without reference to other relative commodities it may lead to wrong shift of cropping pattern. Since we do not want this type of situation to remain, there is wisdom in leaving the overall recommendation regarding price support for competing agricultural crops with a single agency, which is the Commissioner for Agricultural Costs and Prices, which is under the Ministry of Agriculture.”

The Committee drew the attention of the Ministry of Agriculture to their Annual Report which stated that the Tobacco Board in the Ministry of Commerce which was the nodal agency for tobacco was implementing the Scheme for the development of Virginia tobacco. The Committee desired to know whether there was no overlapping if the Tobacco Board was implementing the Scheme for the development of VFC and the Directorate of Tobacco Development was also implementing the same scheme. The representative of the Ministry of Agriculture stated as under:—

“There is no overlapping. We are not implementing it. They are implementing it.”

The representative of the Tobacco Board added:—

“The Tobacco Development Board in Madras has got Non-plan scheme for supplying seeds to the Virginia growers in Karnataka and they have also taken up the Scheme of gathering and generating data

on the cost of cultivation which is ultimately passed on to the Agricultural Prices Commission.

As far as Tobacco Board is concerned, crop planning is done for Virginia Tobacco as to how much is required in the domestic market to make cigarettes and how much is required for exports so that there should be some balance between production and supply and once the crop size is determined, all other inputs are organised in conjunction with the State Directorate of Agriculture, Agro-Industries Corporation, Marketing Institution and Tobacco Research Institute in Karnataka and Andhra Pradesh about transfer of technology training fields to the farmers fields and auctioning the crop which is harvested by the farmers. The farmers bring their crop to the auction floor and the buyers buy the crop. After that, export promotion of tobacco will be taken up once the crop is in the hands of manufacturers or exporters."

The Secretary of the Ministry of Commerce, however, agreed that some of the non-plan schemes being implemented by the Directorate of Tobacco Development could be taken over by the Tobacco Board.

In regard to transfer of extension and development activities to the Tobacco Board, the petitioners have also referred to a recommendation of the Estimates Committee (8th Lok Sabha) and pointed out that the Government have not taken note of that recommendation. the relevant recommendation and the subsequent development/action taken are reproduced at Appendix-II.

It will be seen that the Government in the ultimate analysis has not accepted the recommendation.

III. *Abolition of Directorate of Tobacco Development, -Madras, which has no original activity of its own*

It has been pointed out that consequent on setting up of Tobacco Board, the activities of the Directorate of Tobacco Development have vanished. Whereas the main activities of the Directorate of Tobacco Development, Madras, are totally distinct from those of the Tobacco Board. The former is engaged in increasing output of tobacco production and multiplying its areas of cultivation in southern parts of the country. The Directorate of Tobacco Development is the technical limb of the Ministry of Agriculture as well as a link between tobacco researchers and farmers for transfer of technology through various means of training, demonstration, publication, monitoring of crop situation, guidance and liaisoning between industry, State Governments and the farmers. The Directorate of Tobacco Development is a repository of information on various statistical data, technology on cultivation, status of tobacco both in the country and abroad. Presently, it is also implementing five Non-plan Schemes on tobacco for production of seed/scedling and training of farmers. On the other hand, the Tobacco Board is an autonomous body under the Ministry of Commerce dealing

with marketing and export of tobacco. The Board has no role in cultivation of tobacco and deals with export oriented responsibilities. Thus, the contention that the Directorate of Tobacco Development has lost its credibility or its work has vanished due to Tobacco Board's existence, is not correct."

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

1.5 The Committee note that the data collected under the Comprehensive Scheme on Cost of Cultivation/Production of principal crops in India is used by the Commission for Agricultural Costs and Prices, for making their recommendations about the level of minimum/statutory prices of various agricultural commodities. The Ministry of Agriculture has listed a number of other advantages also like output/input ratios, relative profitability of various crops, level of use of various inputs etc. Besides, these statistics provide a sound base for making plans for agricultural development for future. In view of these and other related advantages, the Committee are inclined to agree with the Ministry's view that the studies under the Comprehensive Scheme should be continued on a regular basis to sustain growth in this important sector of economic activity.

1.6 In regard to suggestion of the petitioners that the Scheme for studying Cost of Cultivation of VFC tobacco be transferred from the Directorate of Tobacco Development, Madras, the Committee observe that the Ministry of Agriculture had already taken a decision to reorganise their Commodity Directorates including the Directorate of Tobacco Development, Madras. According to the Ministry, the major function of the Directorate was to undertake development work for the promotion of cultivation of tobacco in the country and transfer of technology in the field for this crop and the involvement of the Directorate of Tobacco Development in the Comprehensive Scheme for studying cost of cultivation of VFC Tobacco was causing some hindrance to the assigned functions of the Directorate of Tobacco Development. The Committee observe that the Ministry had decided to shift the Comprehensive Scheme from the Directorate of Tobacco Development to some other research Centre, and it had been agreed to shift the Cost Study on VFC Tobacco to the Agro-Economic Research Centre, Waltair, under the Andhra University. The Centre was willing to take over the Scheme along with the staff. But they demanded a fund of Rs. 10 lakhs. However, this was not agreed to by the Ministry of Agriculture because the Scheme itself was not a permanent scheme. Therefore, the proposal fell through. The Tobacco Board was also not prepared to take the staff of the Ministry of Agriculture engaged in VFC Cost Study Scheme. Moreover, the Ministry of Commerce were of the view that the responsibility of Cost Study of all variety of tobacco should remain with the Statistical Division of the Ministry of Agriculture:

The Committee, taking note of various aspects of the matter, recommended that the Ministry of Agriculture should find out a way to transfer

the scheme of study of cost of cultivation of VFC tobacco, alongwith the staff connected with this study, to the Research Centre at Waltair or to the Andhra Agricultural University which was already implementing the scheme for cost of cultivation of various crops. The provision of a reasonable fund should not come in the way of finding a just solution to the problem of the transfer of the staff. In this direction, the Committee would urge upon the Ministry of Agriculture to speed up the process of transfer of the Scheme as envisaged so that the Directorate of Tobacco Development can devote themselves to their primary responsibility of undertaking development work for the promotion of cultivation of tobacco in the country and transfer of technology in the field.

The Committee would also like that the Ministry of Agriculture may examine in consultation with the Ministry of Commerce, on priority basis, the view of the Ministry of Commerce, as stated before the Committee, that some Non-plan Schemes being implemented by the Directorate of Tobacco Development in respect of VFC tobacco could be taken over by the Tobacco Board. Such a change might further rationalise working of the two organisations. The Committee would like to be informed in due course of the progress made in implementing this suggestion.

1.7 The petitioners have suggested that the Directorate of Tobacco Development, Madras, may be abolished, as in their view, the activities of the Directorate have vanished consequent upon the setting up of the Tobacco Board. The Committee observe that the main activities of the Directorate of Tobacco Development, Madras, are totally distinct from those of the Tobacco Board. The former is engaged in increasing output of tobacco production and multiplying its areas of cultivation in southern parts of the country. The Directorate of Tobacco Development is the technical limb of the Ministry of Agriculture as well as a link between tobacco researchers and farmers for transfer of technology through various means of training, demonstration, publication, monitoring of crops situation, guidance and liaisoning between industry, State Governments and the farmers. The Directorate of Tobacco Development is a repository of information in various statistical data, technology on cultivation, status of tobacco both in the country and abroad. Presently, it is also implementing five Non-plan Schemes on tobacco for production of seed/seedling and training of farmers. On the other hand, the Tobacco Board is an autonomous body under the Ministry of Commerce dealing with marketing and export of tobacco, primarily the virginia tobacco. The Board has no role in cultivation of tobacco and deals with export oriented responsibilities.

1.8 In view of the clear cut distinct role and spheres of activity of the Directorate of Tobacco Development, Madars, and of the Tobacco Board, the Committee are inclined to agree with the Ministry of Agriculture that the Directorate has not lost its credibility or that its work has vanished. Hence, the petitioners suggestion to abolish the Directorate of Tobacco Development, Madras is not acceptable to the Committee.

II

REPRESENTATION FROM HANDLOOM & TEXTILE EMPLOYEES' ASSOCIATION, WEST BENGAL, FOR FINANCIAL ASSISTANCE TO HANDLOOM SECTOR

2.1 Shri Manik Chakraborty, Joint Secretary, Handloom & Textile Employees' Association, West Bengal, submitted a representation (See Appendix-III). On 19 June, 1993 regarding financial assistance to Handloom Sector alleging that the administration of Directorate of Handloom & Textiles were misusing financial assistance in the name of Handloom development. He also alleged that there was corruption in the production of Janata Cloth and also there was violation of the Handloom Reservation Act.

2.2 The representation was referred to the Ministry of Textiles for furnishing their factual comments on the points raised in the representation. The Ministry of Textiles in their communication dated 31 March, 1994 furnished their comments. The main points raised by the petitioners and the comments thereon furnished by the Ministry are as under:—

<i>Points raised in the representation</i>	<i>Comments of the Ministry of Textiles</i>
1	2
<p>1. The Administration of the Directorate of Handloom & Textiles are misusing financial assistance in the name of handloom development. Some of the cases are noted below:</p> <p>(i) Moyal Ichhapur Gantantrik T.S.S. Ltd. under Hooghly District was registered in 1985. Financial assistance of about Rs. 40,000/- was sanctioned to it. In a political motive, the then Gram Pradhan lodged a complaint against the disbursement on 16.10.1987 and on receiving it, the then Handloom Development Officer, Serampore stopped the payment without any reason.</p>	<p>The Society was registered on 18.1.1986. Financial assistance to the extent of Rs. 37,160/—was sanctioned to the Society under the following schemes.</p> <p>(i) Working Capital loan Rs. 27,000.00 (ii) Share Capital Loan Rs. 2,160.00 (iii) State participating Rs. 8,000.00 in share capital.</p> <p>The complaint stated to have been lodged by Shri Khudhiram Maitry, the then Gram Pradhan, is not traceable in the records of the office. As such the allegation that on receipt of such complaint the then Handloom Development Officer, Serampore, stopped payment of financial assistance cannot be established.</p>

In July 1988, the said Handloom Development Officer attempted to release the fund by making a new board of Directors in utter violation of W.B.C.R. The petitioners raised the issue before the Deputy Director in vain. As a result all the fund has been misused and the Society became inactive.

The allegation that the said HDO attempted to release the fund by making a new Board of Directors by changing the old Board with the political party people in utter violation of West Bengal Cooperative Societies Rule does not appear to be correct, because the Handloom Development Officer is not competent and he has no authority to change the Board of Directors. It is a fact that the petitioner under his letter No. 62, dated 29.7.88 raised certain questions before the Deputy Director. Handloom & Textiles, Burdwan Division curiously enough, they have also enclosed the reply of the Dy. Director, H&T, Burdwan Division dt. 8.8.1988 with their petition. This letter of the Dy. Director is self-explanatory. As such the petitioners letter dated 12.8.1988 appears to be vague.

(ii) As per Government circular, the defaulter Societies must not get any kind of financial assistance. But a few societies e.g. Chittaranjan T.S.S. Ltd., Arambagh Block Prg. WCS Ltd. within the jurisdiction of H.D.O. Serampore, though defaulters, are still getting various kinds of financial assistance.

It appears from a copy of letter of the Handloom & Textiles Employees Association, West Bengal, that they raised allegation in respect of extension of financial assistance to these two societies though the two societies were defaulters in respect of repayment of certain overdue loans. On scrutiny it appears that the fund sanctioned in favour of these two societies upto 1981-82 was not suffi-

cient. However it was not possible for the State Government to extend further financial assistance to Arambagh Block Primary Weavers Cooperative Society till 1986-87. It was felt that the financial assistance already provided to the societies was not sufficient and vitalise the societies some further financial assistance was extended in 1986-87 and 1988-89.

Considering the whole situation it can be said that Arambagh Block Primary Weavers Cooperative Society was not properly functioning upto 1988-89; rather it was under financed and it was also felt at that time that unless the financial assistance was provided, the society could not perhaps be made viable. The same principle also applied to Chittaranjan T.S.S. Ltd. In five, considering the total number of members in those two societies the financial assistance rendered in the earlier stages was negligible. It was necessary to revitalise the societies so that they become viable. Further financial assistance was rendered during 1988-89. It is also gathered that these two societies are still functioning. However, no financial assistance could be provided to these two societies after 1988-89.

- (iii) In spite of necessary assistance made to M/s Raja Ram Mohan Roy T.S.S. Ltd., the Society has been made loomless Weaver's Cooperative Ltd. without obtaining any Government orders.

M/s. Raja Ram Mohan Roy T.S.S. Ltd., registered as Primary Weavers Cooperative Society under registration No. 25, dated 17.6.80 and financial assistance to the extent of Rs. 8,70,803.37 under different schemes including schemes like Common

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Workshed-cum-Warehouse and supply of looms to loomless weavers were made available to the society. There is no record in this office that the society was formed and run by the workers of any political party as alleged. It is a fact that large number of loomless weavers residing within jurisdiction of the society were taken as members of the society on their application for enrolment as its members. It is a fact that Government sanctioned fund for benefit of those loomless weavers for construction of workshed, supply of looms and working capital. However due to escalation of cost of workshed and requirement of larger amount of working capital the society has so far purchased 33 looms. It is not a fact that financial assistance was extended to the society in an irregular manner.

(iv) There is corrupton in production of Janata cloth.

The issue brought out in the allegation in respect of extension of facilities to Janata producing societies improperly does not appear to be correct. The petitioner has referred to the inspection report of the Deputy Director H&T, Burdwan Division. It may be mentioned that at that time this office was following a practice of cent percent inspection initially at the field level office by the field staff. To supervise the inspection by the field staff attached to field level office Dy. Director was also entrusted to inspect some societies for sample verification to ascertain the correct position of inspection.

In the instant case when the field staff inspected some societies referred to in letter No. 360, dated 28.8.92 of the Deputy Director, Handloom & Textiles, Burdwan Division, Deputy Director made certain observations. These cases were inspected against by the field office. The detailed report of further inspection was submitted by the field officer through the same Deputy Director who subsequently did not differ with the observation of the field staff. The District Level Coordination and Monitoring Committee of Burdwan district also agreed to the view expressed by the field office and recommendation of allotment of Janata Cloth and other assistance to these societies were made by taking overall view in the matter.

Further, in the meantime the Board of Directors of Keshabpur T.S.S. Ltd. and Bangrapara Industrial Weavers' Marketing Cooperative Society Ltd., was reconstituted as per West Bengal Cooperative Societies Act, 1993 and West Bengal Cooperative Societies Rules, 1987.

It appears that the petitioner has just picked up the issue at a particular stage in a chain of action, namely inspection-reinspection-acceptance of inspection report-process of monitoring in respect of implementation of the aforesaid scheme.

The 6 societies named in the report of the Deputy Director are reportedly working societies and functioning of those societies is satisfactory at present.

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(v) Cash credit under NABARD Scheme/M.D.A. and other subsidies have been entitled only for handloom product but the Directorate of Handloom and Textiles allowed such subsidies to the powerlooms in the name of handloom.

Regular inspection is made to check the acts of violation of the Handloom Reservation Act as far as possible. As regards the issue referred to in the petition it may kindly be noted that the matter was detected by our officer. Penal measure was taken against Begumpur Mahila TSS Ltd. for selling powerlooms products in a local exhibition at Chin-surah. Market Development Assistance to the society was reduced. A proposal for setting up of an Enforcement Machinery to enforce the Handloom Reservation Act has already been initiated. However, even without a separate machinery this Directorate has been taking measures to prevent violation of the said Act as far as possible. We are hopeful that after a separate machinery is set up for enforcement of the Act the situation will further improve.

2.3 After considering the points raised by the petitioners and the comments furnished by the Ministry of Textiles thereon, the Committee at their sitting held on 5 July, 1994 decided to take oral evidence of the representative of the Ministry of Textiles.

2.4 The Committee examined the representatives of the Ministry of Textiles at their sitting held on 18 July, 1994. The representative of the Directorate of Handlooms and Textiles, Govt. of West Bengal, also appeared before the Committee alongwith the representatives of the Ministry of Textiles.

During the course of evidence, the Committee drew attention of the witnesses to the allegation of the petitioners that the Administration of Directorate of Handloom and Textiles were misusing the financial assistance in the name of Handloom development and asked whether any such complaint had been received from any other handloom society and, if so, what was the nature of the complaint? the representative of the Ministry of Textiles replied as under:—

“....the complaint that was filed by Mr. M.C. Chakraborty, General Secretary, Handlooms, was received through this Committee and this

was enquired into in different aspects. I will give you the salient points. There were six allegations involved in this representation:—

..... first was the complaint about the weavers' cooperative society called Mayal Icchapur Ganatantrik. It was alleged by the petitioners that on politically motivated complaint, release of grant was held up by the Handloom Development Officer. But later on he tried to reconstitute the board of the society to get that grant released. This complaint actually relates totally to the activity organised by the State Government. So, the Director (Handlooms) will be able to give the details. However, I will give the general position. Upon verification it was found that no such complaint, politically motivated or otherwise, was found to have been received. There was a sanction of a grant in favour of this society. It was specifically released. But there was a delay. And this delay, was due to the fact that the Handloom Development Officer had received some complaint against the society and he thought it necessary to look into those complaints before releasing the amount sanctioned in favour of the society.

After verification he found that the complaint was unfounded and, therefore, the grant was released. The allegation that the Handloom Development Officer tried to reconstitute the Board to facilitate the release of the grant which should not have been released, is baseless because the Board is elected and is not appointed by the Handloom Development Officer. This Society, namely, Mayal Icchapur Ganatantrik TSS Ltd. is still functioning and is reported to be functioning well."

2.6 On being asked as to what was the composition of the State level and District level "coordination and monitoring Committees", who constituted them and what was the role of those Committees in sanctioning assistance to Handloom under various schemes, the Committee was informed that the Cottage & Small Scale Industries Department of the State Government constituted a State Level Committee and District level Co-ordination and Monitoring Committee by a Notification dated 16.11.1987. The Minister-in-charge, C&SSI Department was the Chairman of the State Level Committee and the Joint Secretary C&SSI Department acted as its convenor. None of the representatives was elected.

2.7 Regarding the role of those Committees in sanctioning the funds to the societies, the Committee was informed that the Committee at district level would supervise and monitor the schemes of handlooms development cooperatives, distribution and production of Janata Cloth and discharge of any other function entrusted to them by the State Government.

2.8 The Committee asked in what manner and to what extent there was participation of the Central Government in these schemes. The representatives of the Ministry of Textiles replied:—

"We formulate the Central schemes; we issue the guidelines and the funding pattern; we release the grant and then we depend entirely on

the State Governments and their field formations for the implementation of our schemes. When it comes to enforcement of the handloom reservation order, the Development Commissioner, Handlooms as the Chief Enforcement Officer is supposed to see that the items reserved for handlooms are actually reserved for handlooms and powerlooms do not encroach into that. Otherwise the release of grants and implementation of schemes are done entirely through the State Government machinery and we depend on their reports, their certificates, their audit reports and their utilisation certificates."

2.9 When asked whether they had any machinery to see that the State Government as the nodal agency followed the guidelines and schemes issued by the Centre, the representative of the Ministry of Textiles replied as under:—

"The Development Commissioner, Handlooms does have an officer under him with some field formations. It is not adequate for implementation of schemes. But when complaints are received he sends his team to check on the ground whether the complaint is correct or baseless, whether the certificate given by the State Government is correct or wrong."

2.10 The Committee asked when complaints were received, did the Directorate have the right to see whether the guidelines issued by them had been properly implemented. To this the representative of the Ministry of Textiles stated:—

"The Development Commissioner, Handlooms, himself and through his staff does go on fields visits to inspect, with or without complaints, sometimes even on his own, the implementation of schemes. If there is a complaint there is a pinpointed verification."

2.11 When pointed out by the Committee that there was a complaint in the representation as to the irregularities in production of Janata Cloth and the matter was under the purview of the Central Government, the representative of the Ministry of Textiles explained:

"In that respect, as often happens, whenever there is a complaint received our field formations and some of the officers from the Headquarters are also sent to conduct inspections. In this particular case also one of the points mentioned here have been inspected by a team of officers headed by the Additional Development Commissioner, Government of India, in two districts of West Bengal, namely Nadia and Burdwan in February, 1992. They conducted a detailed investigation, visited the society, checked a detailed investigation, visited the society, checked whether the looms have the adequate capacity to produce handloom cloth or not. A lot of complaints were found to be true also. Subsequently corrective action were taken. We withheld the subsidy to a very large extent. A large number of societies here were found to be bogus and were closed later. We directed the State Government also to take action in certain cases."

2.12 The Committee invited attention of the witnesses to the allegation of the petitioners that cash credit under NABARD Scheme and other subsidies were permissible only for handloom products but the Directorate of Handloom and Textiles allowed such subsidies to the powerlooms in the name of handloom. The Committee asked them to give their comments in that regard. The representatives of the Ministry of Textiles replied:

“There is a reservation order which reserves 22 items for handloom sector. The powerloom sector is not supposed to go into production of those items at all. If they do it and if there is a suspicion that such a thing is happening, the product is subject to test. There are equipment available for this purpose. For instance such a complaint was received by the West Bengal Government and they subjected the products for testing in their laboratory at the College of Textile Technology in Serampore. They tested about 400 samples collected at random from different societies through field visits and inspection teams. Out of these 400 items, one is found to be powerloom project and in that case, a FIR has been lodged against the society concerned. The society has also been warned and if such cases, in future, come to light, the society concerned will be black listed from receiving further assistance.”

2.13 When asked what were the present norms of NABARD for re-financing? The representative of the Ministry of Textiles stated:

“NABARD is an agency which does re financing through the District cooperative Banks, the Central Cooperative Banks etc. Now, there are different norms depending upon the type of loom, the type of fibre which is being used. If it is silk, the availability of working capital is Rs. 12,000. If it is cotton, the availability of working capital is Rs. 5000. The interest rate which is to be charged from the weaver is 9.5 per cent. In fact, it was enhanced a year ago to 11.5 per cent. The various weaving community appealed against this and on the basis of our intervention and recommendation to the Ministry of Finance, it was brought down to 9.5 per cent. This is the scheme of financing.”

2.14 The Committee pointed out that they were informed that there was a separate machinery in the Directorate of Handloom and Textiles for taking measures to prevent violation of the Handloom Reservation Act as far as possible and asked what measures were available with the Directorate to check the cases of violation of this Act. The representative of the Ministry of Textiles stated as follows:

“The Development Commissioner also has a machinery, called the Chief Enforcement Officer who also ensures that the items reserved for handloom are available only for handloom and that powerloom does not exploit that. The Government of West Bengal, very

recently have submitted a proposal for setting up a State level enforcement agency. That proposal is under our consideration.”

He further stated:

“The Handloom Reservation Act came into existence in 1985 but could not be implemented because of a large number of pending cases. Finally in February, 1993, the Supreme Court gave a decision upholding the Constitutional validity of the Handloom Reservation Act and thus power were delegated to the Textile Commissioner and the offices under the Chairmanship of the Textile Commissioner to conduct raids and inspections. A notification was also issued to the Directors of Handloom in every State making the officers of the level of Assistant Directors as authorised officers to conduct inspections and raids.

He further stated that there were 23 Weaving Service Centres in the country which were directly under the control of the Development Commissioner (Handlooms).

2.15 When asked whether the Central Government did have any right to monitor the work of the State, the representative of the Ministry of Textiles stated:

“If they make any mistake in respect of the schemes that we sponsor and the grants in aid that we give and in respect of any guidelines that we issue, we do take up the matter with the concerned States. But these complaints are about their own schemes involving their moneys. Even the guidelines are issued by them. In such cases, we do not interfere.”

2.16 In their post evidence reply dated 4 August, 1992 the Ministry of Textiles further stated that:—

Allegation in respect of corruption in production of Janata cloth

The petitioner has referred to the letter No. 360, dated 28.8.92 of the Deputy Director, H&T, Burdwan Division, addressed to the HDO of Katwa containing a gist of the observations during preliminary inspection of six primary weavers cooperative societies at an early stage. It may be mentioned that at that time inspections were carried out on cent percent basis initially at the field level by the field staff. To supervise the inspection by the field staff attached to the field level offices. Deputy Directors were also entrusted to inspect some Societies for sample verification to ascertain the correctness of these inspections.

In the instant case, when the field staff inspected some societies referred to in letter No. 360, dated 28.8.92 of DD, H&T, Burdwan Division, addressed to the HDO of Katwa, the Dy. Director made certain observations. These cases were inspected again by the field office. The detailed reports of further inspection were submitted by the field officer through the same Dy. Director who subsequently did not differ with the

observations of the field office and recommended for allotment of Janata Cloth in favour of five societies. In one case, however, in respect of the Purbasthali Block II Sramik TSS Ltd., as per order of the Director of H&T, the HDO of Katwa inspected the society personally and sent a report to the Director. In all the 6 cases the District Level Coordination and Monitoring Committee of the Burdwan District agreed with the views expressed by the field office and recommended allotment of Janata Cloth to these societies taking an Overall view in the matter.

2.17 The substance of the allegation in respect of irregularities in the production of Janata Cloth was that the Societies did not have the required number of handlooms for producing the allotted quantity of Janata Cloth and most of the Societies were facades for master weavers. A sample check was conducted in February, 1992 by a team of officers of the office of DC (Handlooms). The inquiry included field visits in the districts of Nadia and Burdwan between 3.2.92 and 5.2.92. On the basis of findings of this enquiry, the Government of West Bengal was asked to undertake an exercise to weed-out the non-existent societies and those controlled by master weavers and also to amalgamate in more than one society was seen to be existing and operating in the same village. Certain irregularities had also been observed in the implementation of the Janata Cloth Scheme by the cooperative societies in the districts of Nadia and Burdwan.

During the inspection by the team Office of DC (Handlooms), about 40 societies were visited. The enquiry revealed that production in respect of about 30 societies was inflated. The State Government had taken tangible and corrective action and discontinued procurement of Janata Cloth in respect of 29 societies pointed out by the enquiry team.

2.18 The Government of West Bengal was further asked to enquire into similar incidents of irregularities and take appropriate corrective action based on the enquiry report of the Government of India and such further enquiry that the Government of West Bengal might order. In accordance with the directive issued by Office of DS (Handlooms), the Government of West Bengal had conducted an extensive enquiry into implementation of the Janata Cloth Scheme in the State of West Bengal and submitted a detailed report. The report of the Government of West Bengal admitted the lapse on the part of the implementing agencies as also of officers of the State Government in monitoring the scheme in the State. The Government of West Bengal has reported that necessary administrative action has been taken on the subject.

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2.19 The Government of West Bengal reported that physical verification of looms of Janata Cloth producing societies was undertaken during 1992-93. Allotments were made to the Societies for production of Janata Cloth from October 1992 on the basis of the physical verification report received from field offices. Allotments were made in favour of those

societies in whose cases no discrepancy was reported during the physical certification of looms. It may also be mentioned that in the Nabadwip area 91 societies were not favoured with allotment of Janata Cloth on the basis of the physical verification of looms. 158 Societies throughout West Bengal were not favoured with allotment of Janata Cloth on the basis of the physical verification of looms. In Katwa also after physical verification of looms 7 societies were not favoured with allotment of Janata cloth.

2.20 It may further be mentioned that as a matter of principle, and according to the revised guidelines for implementation of the Janata Cloth scheme, physical verification of looms has again been undertaken during the current financial year. The field officers have been instructed to submit complete reports of physical verification of looms in respect of the 6 societies referred to in the letter dated 28.8.92 of Dy. Director, H&T, Burdwan Division addressed to the HDO of Katwa.

2.21 As a result of corrective action taken in implementation of the Janata Cloth scheme in West Bengal, the actual achievement in production of Janata Cloth in the State came down to 10.68 million square metres in 1992-93 compared to the production level of 65.69 million square metres reported in 1990-91. Since adequate corrective action has been taken by the Government of West Bengal for ensuring effective implementation of the Janata Cloth scheme in the State, further releases of subsidy are being made by the Government of India regularly.

2.22 However, in order to protect the interests of weavers dislocated from production of Janata Cloth, the Government of India has formulated a scheme for setting up 3000 Handloom Development Centres (HDCs) and 500 Quality Dyeing Units (QDUs). The West Bengal State has been allocated 486 HDCs and 700 QDUs.

2.23 *Handloom Reservation Act*

The petitioner has reported about a number of instances of sale of powerloom made cloth in the handloom exhibitions and in the showrooms of handloom cooperative societies. He had requested for strict implementation of Handloom Reservation Order by the Government of West Bengal in the interest of poor handloom weavers.

The Handloom Reservation Act was promulgated in 1985 to provide protection to the handloom sector following liberalisation of powerlooms under the Textile Policy of 1985. Prior to 1985, setting up of powerlooms was controlled through a licence mechanism. When the powerlooms were de-licensed, it was felt that the handloom sector would suffer; certain products were, therefore, reserved for exclusive production by handlooms. Under the Act, an Advisory Committee is constituted from time to time and this Committee recommends articles which may be reserved for exclusive production. The Act remained inoperative for all practical purposes till last year because of several litigations.

The Supreme Court upheld the Act in February 1993. Thereafter, steps have been taken to reopen the Office of the Chief Enforcement Officer and inspections have started. Under the Act, agencies of the State Government and as well as of the Government of India are competent to carry out inspection and file prosecutions against powerloom owners who violate the provisions of the Act. The progress so far in implementation of the Act has been as follows:—

No. of powerlooms inspected	:	40626
No. of powerlooms/samples seized	:	92
No. of cases booked	:	47

An Advisory Committee has also been constituted to go into the list of items reserved.

The Govt. of West Bengal undertakes regular inspections for ensuring effective implementation of the Handloom Reservation Act. The Govt. of West Bengal also has submitted a proposal for setting up an enforcement machinery in the State.

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

2.24 One of the main complaints of the petitioners—the Handloom and Textile Employees' Association, West Bengal—is that there is irregularity and corruption in the production of Janata Cloth, The Ministry have refuted the allegation stating that whenever there is a complaint, their field formations are sent to conduct detailed inspections. They, however, have admitted that a lot of complaints were found to be true. An inquiry by the officers of D.G. (Handlooms) revealed that many Societies did not have the required number of handlooms for producing the allotted quantity of Janata Cloth and most of them were facades for master weavers. Production in respect of these Societies was inflated. Subsequently corrective measures were taken to withhold the subsidy to the defaulter/bogus Societies.

2.25 While the Committee appreciate the action taken by the Central Government to enquire into the incidents of irregularities in the production of Janata Cloth and the tangible and corrective action taken by the State Government subsequently to discontinue procurement of Janata Cloth from the inflated Societies and to make allotment of Janata Cloth to Societies for production on the basis of physical verification, they feel that there should be an adequate machinery with the Government through which they should monitor the Scheme constantly with a view to ensure its effective implementation. Rather than relying only upon the complaints received from the aggrieved Societies/individuals, they must conduct survey/raids on their own in regular intervals and keep a constant vigil to detect bogus cases.

2.26 The Committee find that certain articles have been reserved for exclusive production in the handloom sector under the Handloom (Reservation of Articles for Production) Act, 1985. However, a number of such items

are being produced on powerlooms in violation of the above Act. This has been confirmed by the Enforcement Wing of the Development Commissioner (Handlooms) in the Ministry of Textiles on the basis of field visits. The Committee note that an Advisory Committee has also been constituted under the act to go into the list of items reserved for handloom sector.

2.27 The Committee desire that suitable action may be taken with a view to ensure that the area of operation for powerlooms is clearly delineated and sufficient number of articles are reserved for exclusive production in the handloom sector which would provide adequate support to the millions of handloom weavers.

2.28 The Enforcement machinery sought to be created at State level for detecting cases of violation of the Handloom Reservation Act should be created without further loss of time and the existing machinery at the Centre be activated and strengthened further so as to carry out regular inspections and initiate stringent action against powerloom owners, who violate the provisions of the Act, in order to protect the interests of the handloom weavers.

2.29 The Committee desire that the available funds under NABARD Scheme and other subsidies which have been allocated only for handloom sector should be properly channelised through the proper agencies to further the interests of the weavers of handloom sector and to obviate the chances of these funds finding their way to powerlooms in the name of handloom.

2.30 The Committee have been informed by the petitioners that the Directorate of Handloom & Textiles were misusing financial assistance in the name of handloom development. They have quoted the examples of a few handloom Societies in whose case financial assistance was delayed/stopped or who were given the assistance in an irregular manner.

2.31 In this connection, the Committee were informed during evidence of the Ministry of Textiles that the complaint actually related to the Schemes of the State Government involving their money. In such cases they did not interfere. As regards the extent to which the Central Government participated in the implementation of schemes of financial assistance sponsored by the Central Government, the Committee were informed that the Central Government formulated the Schemes, issued guidelines and the funding pattern and released the grant. The implementation and enforcement of the schemes was done entirely through the State Government machinery. But when complaints were received, the Development Commissioner did send his team of officers to investigate the complaints. However, he admitted that the Central machinery was not adequate for carrying out inspections for implementation of schemes.

2.32 The Committee desire the Government to strengthen their own machinery to enable regular field visits to inspect and ensure that the guidelines issued by them are strictly followed. The release of grant/subsidy should also be made after proper verification of the cases so that the primary object of protecting interests of the handloom weavers is better achieved.

III

ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS MADE BY THE COMMITTEE ON PETITIONS (TENTH LOK SABHA) IN THEIR FOURTEENTH REPORT ON REPRESENTATION FROM SHRI M.V. HAREESH KUMAR SEEKING EMPLOYMENT ON COMPASSIONATE GROUND IN THE FERTILIZERS AND CHEMICALS TRAVANCORE LTD. (FACT), KERALA

3.1 The Committee on Petitions (Tenth Lok Sabha) in their Fourteenth Report presented to Lok Sabha on 12 May, 1994 dealt with the aforesaid representation of Shri M. V. Hareesh Kumar seeking for employment on compassionate ground in Fertilizers and Chemicals Travancore Ltd. (FACT), Kerala.

3.2 Action taken notes have been received from the Government in respect of the recommendations contained in the Report. The recommendations of the Committee and the replies thereto furnished by the Government are given in (Appendix IV).

3.3 The Committee will now deal with the action taken by the Government on their recommendations.

Recommendations (paragraph no. 2.7 and 2.8)

3.4 The Committee felt that the Fertilizers and Chemicals Travancore Ltd. Kerala, should have given sympathetic consideration for appointment of Shri M. V. Hareesh Kumar in the two exclusive selections made for dependants for deceased employees of FACT. The Committee had, therefore, expressed their trust that the Ministry would implement their assurance for giving due consideration to the case of Shri Hareesh Kumar in future recruitments for appointment of dependants of deceased employees of FACT.

3.5 The Government in their reply stated that the case of Shri Hareesh Kumar has been examined in consultation with FACT. While explaining the criteria followed in appointment of the dependants of the deceased employees of the FACT, the Ministry have noted for compliance the suggestion of the Committee for giving due consideration to the case of Shri Hareesh Kumar in future recruitment from amongst dependants of deceased employees.

3.6 The Committee note with satisfaction that their suggestion for consideration of Shri Hareesh Kumar for appointment against future vacancies to be filled from among dependants of deceased employees has been noted by the Government for compliance. The Committee would desire that the same may be implemented at the earliest.

NEW DELHI;
20 December, 1994

29 Agrahayana, 1916 (Saka)

P. G. NARAYANAN,
Chairman
Committee on Petitions.

APPENDIX I

(See para 1.1 of the Report)

REPRESENTATION

CITIZENS FORUM

Kondapi - 523270

Prakasam District

Andhra Pradesh (INDIA)

Dated 14 June, 1993

Petition submitted to Petitions Committee, Lok Sabha, on the topic of transfer of Special Study on Cost of Cultivation of VFC Tobacco in Andhra Pradesh and abolition of the Directorate of Tobacco Development, Madras, in the Ministry of Agriculture, Government of India

The Government of India, Ministry of Agriculture, Department of Agriculture & Cooperation, under the Directorate of Economics & Statistics, Shastri Bhavan, New Delhi-110001, has initiated 27 Cost Production Schemes on Cost of Cultivation of Principal crops grown in India with a view to generate basic cost data at grass root level; in order to assist and appraise the Commission on Agricultural Prices & Costs to fix minimum support prices for the crops grown by our farmers by way of Comprehensive Scheme.

These Comprehensive Scheme has been there since 1974-75, whether it is necessary to continue such of these Cost Study Schemes for over is a thousand dollar question?

2. 26 of these Cost Schemes are handed over to Agricultural Varsities for implemenctation.

3. The Special study on Cost of Cultivation of VFC Tobacco in Andhra Pradesh has placed with the Directorate of Tobacco Development, Madras for implementation. This has taken over as a Plan Scheme since 1974, and a number of 30 clusters consisting 90 villages situated in 7 districts of Andhra Pradesh; are selected on random basis every three years and basic cost data is generated through a galaxy of 30 fieldstaff, 4 Field Supervisors recruited for this purpose by the Directorate of Tobacco Development at Madras.

- (i) Tobacco Board under the Ministry of Commercc, Government of India, came into being in 1975 with all the functions relating to VFC Tobacco from the level of Production to Marketing given to it by way of a Central Act.

- (ii) After the inception of the Tobacco Board, the other organisation at Madras, Directorate of Tobacco Development has lost most of its functions relating to VFC and other Tobaccos and standing for the namesake; due to the undecidedness of the Ministry of Agriculture, wasting crores of public money to the National Exchequer.
- (iii) The Estimates Committee of Parliament has also recommended by its recommendation No. 10/1986 that all the functions relating to VFC Tobacco be shifted to the Tobacco Board forthwith. But the recommendation has not taken note of by the Government of India.
- (iv) The Indian Tobacco Development Council, the prime Advisory body attached to the Crop VFC, Tobacco; has recommended to the Government of India; that all the functions relating to VFC and other Tobacco be handed over to the Tobacco Board in 1992. But the Government of India's reaction; is not yet known?

Now all the new Agricultural Policy is in the offing and we feel it is the opportune time to press the Government of India, Ministry of Agriculture to (1) look into the continuance of the Cost Production Schemes; (2) Transfer of Cost Study Scheme on VFC Tobacco in Andhra Pradesh or its abolition; (3) Abolition of the Directorate of Tobacco Development, Madras; which has no original activity of its own for over the years.

Moreover, the Government of India, Ministry of Agriculture, though continuing these Cost Scheme for over the years; not created for any promotions and service benefits to the incumbent staff working in the VFC Cost Study Scheme in Andhra Pradesh. Even, their services are also not made permanent after 19 years of inception of Scheme.

APPENDIX II

(See para 4(ii)-page 5 of the Report)

Action Taken by Government on recommendations of Estimates Committee (8LS) in para 2.40 of their Eighth Report on the Ministry of Commerce—Tobacco Board—presented to Lok Sabha on 9 August, 1985.

Recommendations

“2.40 “The Committee recommend that with a view to remove overlapping and duplication in the functions of the Tobacco Board, which is under the Ministry of Commerce and Directorate of Tobacco Development under the Ministry of Agriculture, the two Ministries should go into the functions of both the Organisations and affect transfer of functions from one Organisation to the other as may be necessary. In this context the Committee would emphasise that the entire responsibility in regard to Virginia tobacco should legitimately remain with the Tobacco Board.”

6. In their Thirty Fourth Report on Action Taken by Government, presented to Lok Sabha on 28 July, 1986, the Estimates Committee (8th Lok Sabha) in Paras 1.18 and 1.19, observed *inter-alia* as follows:—

“1.18 On their reply the Ministry have stated that this recommendation is under consideration in consultation with the Ministry of Agriculture.

1.19. The Committee would like to be apprised of the final outcome of the steps in pursuance of their recommendation.”

7. Subsequently, the Government furnished the following Action Taken reply dated 25.3.87 on the main recommendations of the Committee, which was laid on the table of Lok Sabha in August, 1987 in the form of Action Taken statement:

“The matter regarding transfer of extension and development activities in regard to VFC Tobacco to the Tobacco Board was taken up with the Ministry of Agriculture, but that Ministry have not agreed to transfer the functions.”

APPENDIX-III

(See para 2.11 of the Report)

**HANDLOOM & TEXTILE EMPLOYEES' ASSOCIATION
WEST BENGAL**

Regd. No. S/30787

Registered & Central Office: Nabadwip, Dist. Nadia (W.B.)

Postal Pin Code No. 741302

Affiliated with State Govt. Employees Federation, W.B. Letter corresponding address: C/o Handloom Development Office, D.O. No. 130/HTEA/1990-91 P.O. Scramapore, Distt. Hooghly Date 19.6.1993

To

**Sri P.G. Narayanan,
Hon'ble Chairman,
Committee on Petitions,
Lok Sabha,
139, Parliament House,
New Delhi,**

Respected Sir,

I on behalf of the Association would like to draw your kind attention to the following instant cases that how the administration of the Directorate of Handloom & Textiles acting for the interest of the ruling party of the State particularly C.P.I. (M) by misusing financial assistance in the names of handloom development. It may kindly be noted that the sole authority for sanctioning any kind of handloom assistance in the State level and District level namely "Coordination and Monitoring Committee" by the ruling party.

Number of representations/deputations/persuations has been made in this respect to the both Central and State Govt., but no action made. Some of instant cases are noted below for your kind perusal.

(1) Moyal Ichhapur Ganatantrik T.S.S. Ltd. under Hooghly Distt. registered in the year 1985. Financial assistance about Rs. 40,000/- has been sanctioned. In a political motive the then Gram Pradhan, Kishorepur Gram Panchayat Sri Khudiram Maity, C.P.I(M) lodged a motivated complaint against disbursement on 16.10.87. On receiving such complaint the then Handloom Development Officer, Scramapore stopped the payment without any reasons.

On July 1988 the said Handloom Development Officer attempted to release the fund by making a new Board of Directors by changing the old

board amongst the party men in utter violation the W.B.CR, then the matter we brought to the then Dy. Director, Handloom & Textiles, Burdwan Division, Chinsurah under Memo. No. 62 dt. 29.7.88. The Dy. Director raised some questions to us about the stopping payment under his office no. 661/BD—L/860/86 dated 8.8.88 in an ill motive. The reply has been made *vide* our No. 82 dt. 12.8.88 but all are in vain and action was taken by the Dy. Director violating all Government principle. As a result all fund has been misused and the Society became an inactive Society.

(2) Enclosed please find a copy of our letter No. 6 dated 28.4.89 address to the Deputy Director with a copy of the Director, Handloom & Textiles, West Bengal (Annexure 'B').

In spite of our repeated objections the fund was sanctioned and disbursed without any verification into the activities of the Societies mentioned in the above said letter. The total fund was misappropriated and the societies became inactive.

(3) M/s. Raja Ram Mohan Roy T.S.S. Ltd., P.O. Vill. Khanakul, Distt. Hooghly, registered as Pry. Weavers' Co-op Society under Regn. No. 25 HG dt. 17.6.80 and necessary financial assistance has been made in favour of the Society. It is a matter of surprise in view of huge finance sanctioned in favour of the Society made by CPI (M) Later made it Loomless Weavers' Co-op. Society without obtaining any Government order in this regard and it is in utter violation of rules. Make it payment for common workshed for Loomless Weavers' purchased new Looms 100 for workshed, working capital etc. but society purchased only 33 looms.

In view of further financial assistance prayed in the year 1986 further one hundred with loom new members allowed to be included in the Society and the Govt. sanctioned State Share Participation, Share Capital, Working Capital, etc. all kind of assistance in favour of the Society in corrupt practices.

(4) *Complaining against sanction of House-cum-Workshed*

Sanctioned the above scheme in favour of (a) M/s. Raja Ram Mohan Roy, T.S.S., P.O. & Vill. Khanakul, Distt. Hooghly, (b) M/s., Janai Weavers Co-op. Society Ltd. Vill. Pairagachha P.O. Janai Distt. Hooghly, (c) M/s. Begampore Anchal T.S.S. Ltd., P.O. & Vill. Begampore, Distt. Hooghly in utter violation Order No. 1/5/85/—DCH/Proj-II dt. 1.3.89 and G.O. No. 1919—Cot (VI) dt. 16.3.90 of C & SSI Deptt. Govt. of West Bengal, in spite of our repeated objections.

The sanctioning fund not yet been utilised by the above Societies.

(5) *Corruption in production of Janata Cloth.*

A copy of inspection report of the Dy. Director (HI & Tex) BD. under his No. 360/dt. 28.8.92 in respect of the Societies under Handloom Dev. Office, Katwa, Burdwan. Through the report it seems that the mentioned

Societies showing their working looms Sl. No. (1)—34 No. (2)—270, No. (3) 30, No. (4)—240, No. (5) 29 and No. (6) 55 on spot verification shown in Sl. No. (1) 17 looms on working and 14 casual workers employed Sl. (2) out of 270 shown only 110 out of which 44 are Janata. As per showing working looms and enjoining Janata subsidies Cash Credit Loan under NABARD Scheme and M.D.A. and others facilities as provided by the Govt. time to time in corrupt practice, without any verification in recommendation of the DLC & MC.

Perhaps you are fully aware we are trying our best to root out corrupt practices from handloom industry. As such number of representations, deputation, press reports has been made. In the last year Sri R.K. Panda, Jt. Development Commissioner in Handloom, Govt. of India visited Nabadwip in the Distt. of Nadia, who detected more corruption against Janata Supply. As a result all kind of assistance in favour of the Societies has been stopped. As such we fail to understand why the defected Societies as was mentioned in the inspection report of the Dy. Director have not been hampered.

(6) Violating the Handloom Reservation Acts

Perhaps you are also aware that Cash Credit under NABARD Scheme/ M.D.A. and others subsidies has been entitled only for handloom product. But we are failed to understand how the Directorate Handloom and Textiles allowed such subsidies to the powerlooms in the name of handloom. An mischievous occurrence was made at Begampore in the cost greater loss of the powerloom owner due to political Influence to the administration of Director, Handloom & Textiles.

I am submitting herewith an instant case about a complaint against scelling of powerloom made sari in the name of handloom product under handloom exhibition organised by Govt. of West Bengal.

In our greater movement then Directorate has been cancelled MDA in favour of the Society under his memo. No. 443/HL/TEX/C—16/91—92 dt. 9.3.93.

The other case we made a complaint against sale of poly shirting by W.B. State Handloom Weavers' Co-op. Society Ltd. (Tantuja) under Cash Memo. No. 154 dt. 30.9.92 and a receipt of the complaint, the Director, Handloom & Textiles referred the matter to Managing Director of W.B.S.H.W.C.S. Ltd. Since then we are in the dark about action taken. The matter relates vitally in connection with the interest of the poor artisan members.

Under the above facts we have many cases of such instants. If the hon'ble members desire we are ready to produce.

With kind regard

Yours faithfully,
Sd/-
(Manik Ch. Chakraborty)
Joint Secretary,
Handloom & Textiles Employees Association
West Bengal.

APPENDIX IV
(see para 3.2 of the Report)

Replies furnished by the Ministry of Chemicals and Fertilisers vide their O.M. No. 107/9/93—FDC—II, dated 1 November, 1994, on the recommendations made by the Committee on Petitions (Tenth Lok Sabha) in their Fourteenth Report on the representation from Shri M.V. Hareesh Kumar seeking employment on compassionate ground in the Fertilizers and Chemicals Travancore Ltd., Kerala

Recommendations

2.7 The Committee note from the comments furnished by the Ministry of Chemicals and Fertilisers that the Fertilisers and Chemicals Travancore Ltd. (FACT), Kerala had made two exclusive selections for dependents of deceased employees of FACT. The first exclusive selection was made prior to an understanding with Trade Unions, for appointment to the post of sweeper-cum-cleaner and such similar posts in Group 'D' category while the second selection was made after an understanding with Trade Unions for post of Canteen Boy, Attender, Loading Helper and Accounts Clerk. The Committee, however, regret to note that Shri Hareesh Kumar, dependant of a deceased employee of FACT, had not been selected/appointed in either of the two recruitments made. The Committee feel that in view of the fact that Shri Hareesh Kumar is the eldest son of the family and the financial difficulties they are undergoing due to the death of his father, the FACT should have given a sympathetic consideration to Shri Hareesh Kumar's case while making the said two recruitments.

2.8 The Committee trust that the Ministry will implement their assurance that the case of Shri Hareesh Kumar's case would be considered as and when future notifications are issued by FACT for appointment of dependents of deceased employees against suitable vacancies.

Reply of the Government

The representation submitted by Shri M.V. Hareesh Kumar for employment in Fertilisers and Chemicals Travancore Ltd. (FACT), Kerala on compassionate ground has been examined in this Department in consultation with FACT. This Department's comments in regard to paras 2.7 and 2.8 of the report are as under:—

“While resorting to recruitment of dependants of deceased employees who die while in service on compassionate grounds, FACT takes into consideration various factors for assessing the necessity for providing immediate relief to the family by the employment of a dependant, apart from the performance of the candidate in the selection.

Accordingly, the employment status of the other members of the family, the current financial position of the family and the details of benefits being received by the family from the company are all given due consideration. In the case of Shri Hareesh Kumar, the wife of the deceased employee is already employed in a Bank. While empanelling the candidates in the select lists for the various categories, generally those cases where none of the family members is employed are given priority for appointment on compassionate grounds over cases where one or more of the family members are employed. In any selection exclusively from among dependents in the select lists would be on the basis of the relative merit of each case as the entire selection is on compassionate grounds.”

The suggestion of the Lok Sabha Committee on Petitions that the case of Shri Hareesh Kumar be given due consideration for appointment against a suitable vacancy as and when the company notifies recruitment vacancies to be filled from among dependents of deceased employees. has been noted for compliance.