

# COMMITTEE ON PETITIONS

(SEVENTH LOK SABHA)

## EIGHTEENTH REPORT



*[Presented to Lok Sabha on 9th May, 1984]*

**LOK SABHA SECRETARIAT  
NEW DELHI**

*May, 1984/Vaisakha, 1906 (Saka)*

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Corrigenda to Eighteenth Report  
of Committee on Petitions(7LS).

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**COMPOSITION OF THE COMMITTEE ON PETITIONS  
(1983-84)**

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**CHAIRMAN**

**Shri K.P. Tewari**

**MEMBERS**

2. **Shri Godil Prasad Anuragi**
3. **Shri Banwari Lal**
4. **Shri Bhubaneswar Bhuyan**
5. **Shri Chaturbuj**
- \*6. **Shri Tridib Chaudhuri**
7. **Shri Sudhir Kumar Giri**
8. **Shri G. Devaraya Naik**
9. **Shri Saminuddin**
10. **Shri Chandra Pal Shailani**
11. **Shri P. Shanmugam**
12. **Shri P.M. Subba**
- \*\*13. **Dr. Subramaniam Swamy**

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\*Nominated *w.e.f.* 3 September, 1983

\*\*Nominated with effect from 23 June, 1983 *vice* Shri Motibhai R. Chaudhari resigned.

(vi)

14. **Shri Jagdish Tytler**
15. **Shri Balkrishna Wasnik**

**SECRETARIAT**

**Shri D.C. Pande—*Joint Secretary***

**Shri S.P. Gupta—*Chief Personnel and Executive Officer***

**Shri S.S. Chawla—*Senior Legislative Committee Officer***

**EIGHTEENTH REPORT OF THE COMMITTEE ON  
PETITIONS (SEVENTH 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 Eighteenth Report of the Committee to the House on the following matters :—

- (i) Petition No. 17 regarding incentives and facilities to scientific/electronics instruments exporters in Ambala Cantt.
- (ii) Representation regarding deterioration of telephone service at Rani-ganj Coalfield Dialling Exchanges and in Bombay.
- (iii) Representation regarding withdrawal of liquidation proceedings of Containers and Closures Ltd. and revival of the Unit by providing necessary funds.
- (iv) Representation regarding withdrawal of denotification order and liquidation proceedings of M/s. Indian Rubber Manufacturers Ltd., Calcutta and resumption of production activities.
- (v) Action taken by Government on the recommendations of the Committee on Petitions contained in their Thirty-third Report (5LS) on the representation *re.* alleged misappropriation of Government grants and misuse of land allotted to the All India Blind Relief Society, Lajpat Nagar, New Delhi.
- (vi) Action taken by Government on the recommendations of the Committee on Petitions contained in their Tenth Report (6LS) on Petition No. 21 regarding rehabilitation of the Bhakra Dam outstees.
- (vii) Action taken by Government on the observation of the Committee on Petitions contained in their First Report (7LS) on Petition No. 5

## II

### PETITION NO. 17 REGARDING INCENTIVES AND FACILITIES TO SCIENTIFIC/ELECTRONIC INSTRUMENTS EXPORTERS IN AMBALA CANTT.

2.1 Petition No. 17 signed by Shri Anil Jain and others, Ambala Cantt. regarding incentives and facilities to scientific/electronic instruments exporters in Ambala Cantt., was presented to Lok Sabha on 18th December, 1981, by Shri Suraj Bhan, M.P.

#### A. *Petitioners' Grievances and Prayer*

2.2 In their Petition (See Appendix I), the petitioners stated, *inter alia*, as follows :—

“.....India being the third largest scientific and technical manpower in the world could not capture even 0.5% of total trade share. This is certainly a very dismal performance and deserves immediate concern of the Ministry of Commerce and Planning Commission. India is now passing through a very critical stage when the balance of trade has been completely upset due to unprecedented rise in price of oil and other petroleum products.....On the internal front, we have to maximise the production within the shortest possible time while on the external front we must popularise the slogan ‘Export for Prosperity’.....We are, therefore, of the opinion that in the export field all out efforts must be made by the Ministry of Commerce to identify new markets. At the same time, maximum possible encouragement should be given to the present exporters and all red tapism removed.”

2.3 The petitioners made the following suggestions for implementation by Government :—

- (i) A dry port may be established at Delhi to cater to the needs of Northern India ;



- (ii) Cash incentives as well as Draw Back should be increased to 20% and 15% respectively. 15% of FOB value of goods exported should be allowed towards OGL licence for import of materials ;
- (iii) Exporters who pay personal visits to foreign countries to canvass and win tenders should be allowed 50% concession in air fare ;
- (iv) Export Corporation of India may be instructed to stock basic material/items required for manufacture of scientific/medical and agriculture equipment for benefit of exporters :
- (v) Banks should give advances/loans to exporters on concessional rate of interest of 7% :
- (vi) Ambala be placed on the air map of India ;
- (vii) A branch of Export-Import Bank be opened at Ambala Cantt and
- (viii) Professional guidance be provided to the exporters.

2.4 The petitioners prayed that "as no other remedy is open to them for pressing these suggestions/grievances, the Lok Sabha through its Committee on Petitions may investigate into the matter, study the suggestions put forward and, if satisfied, recommend to the Government accordingly."

*B. Comments of the Ministries of Commerce, Railways (Railway Board), Finance (Department of Revenue and Department of Economic Affairs), Tourism and Civil Aviation etc.*

2.5 The petition was referred to the Ministries of Commerce, Railways (Railway Board), Finance (Department of Revenue and Economic Affairs), Tourism and Civil Aviation for furnishing their factual comments thereon for consideration by the Committee on Petitions. The Ministry of Commerce was requested to consolidate the comments of all the Ministries concerned in the matter.

The Ministry of Commerce (Department of Commerce) have furnished a consolidated note dated 10th March, 1983, containing demand-wise factual

regarding conversion of Latur-Miraj narrow-gauge railway line into a broad-gauge line.

- (viii) Action taken by Government on the recommendation of the Committee on Petitions contained in their Third Report (Seventh Lok Sabha) on the representation from Smt. Santosh Kumari regarding non-payment of certain dues by the management of Arya Putri Pathshala Prathmik Vidyalaya, Gandhi Nagar, Delhi.

(ix) Other Representations.

1.2 The Committee considered the above matters at their sittings held on 6th April, 1983, 3rd and 23rd January, 9th and 10th February, and 2nd April, 1984.

1.3 The Committee considered their draft Report at their sitting held on 7th May, 1984 and adopted it.

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

NEW DELHI ;  
7th May, 1984  
17 Vaisakha, 1906 (Saka).

K.P. TEWARI,  
 Chairman,  
 Committee on Petitions:

Comments (See Appendix II) of all the concerned Ministries stating, *inter alia*, as follows :—

**Demand—Creation of Dry Port at New Delhi Ministry of Commerce.**

“In 1974, the Government had decided in principle to establish a dry port in Northern Region of India. However, in July, 1977, the Government decided not to take up the project for immediate implementation. In view of the representations received, a decision had been taken in principle to set up an Inland Container Depot (ICD) at Tughlakabad which would provide dry port like facilities in respect of export/import goods moving in containers. The Ministry of Railways have conducted a detailed techno-economic survey and the report is under finalisation. Pending establishment of the ICD, it has been decided to set up an Inland Container Depot at Pragati Maidan Siding, New Delhi on a pilot project basis, which is expected to be commissioned shortly.”

**Demand—Enhancement of cash incentives, Draw Back and FOB value of goods.**

**Ministry of Finance (Department of Revenue) (Drawback Directorate)**

“At present scientific equipment and electronic instruments are covered under SS 5302 and 5303<sub>2</sub> of the Drawback schedule and are entitled for All Industry rates of drawback @ 30% and 10% f. o. b. respectively. If the traders feel that these rates are of lower side they are always open to come up with their justification for the increase in rates in the prescribed manner and submit their data in DBK—I, II, III, statements for further consideration of this Ministry.”

**Office of the Chief Controller of Imports and Exports.**

“This position is not clear. REP licences are issued for the import of raw materials, components and consumables appearing in Appendices 3, 4 and 6 of the Import Policy and for import of canalised items used, in the manufacture of the product exported. In addition, packing materials are also allowed against REP licences. Requirements for import of OGL items have to be met by manufacturer—exporters under the normal OGL policy. They do not require an import licence for such imports.

However, in the import policy for 1982-83, a generic entry has been incorporated allowing import replenishment at 5% against the exports of engineering goods which are not separately covered as export products in Appendix 17 of the policy. The Exporters of such engineering goods can import against their replenishment licences items appearing in Appendices 3, 4 and 6 in the canalised lists excluding electronic items as are required for manufacture of the product exported by them. As such this provision meets the demand that there should be replenishment rate fixed for export of scientific instruments."

**Demand—Concessional air Tickets to Exporters**  
**Ministry of Tourism and Civil Aviation**

"As members of the International AIR Transport Association (IATA) both Indian Airlines and Air India have to abide by IATA regulations which preclude them from giving concessional air tickets or any other commercial concession in the cases such as the ones reflected in Item No. 4."

**Demand—Availability of raw material for benefit of Exporters**

**Ministry of Commerce**

"Amongst other things, the petition has raised the question of timely availability of various types of raw materials. Most of the raw materials referred to, barring a few, are ingeniously available. However, the list does include a few imports of which are canalised through MMTC.

Taking into account the difficulties of the up-country actual users in taking delivery of imported raw materials from our port godowns, MMTC has opened distribution centres in different places in the country. Among other places, two such distribution centres have been opened, one each at Yamuna Nagar and Ludhiana....."

**Office of the Chief Controller of Imports and Exports**

"In para 5 of the petition, the party have suggested that some designated agencies (which they have mentioned as Export Corporation of India) may be instructed to make bulk imports of the raw materials

for allocation to the individual units engaged in export production. In this connection it may be mentioned that there are already provisions in the import policy under which STC and other similar agencies in the public sector as well as Trading Houses in the private sector can obtain bulk import licences for raw materials and components for sale to Actual Users against valid licences held by them. In the case of canalised items, such as stainless steel, zinc and copper ingots referred to in the petition, import is canalised through public sector agencies and Actual Users are entitled to book their demands with the concerned canalising agency and obtain the materials to meet their requirements. Some items such as mercury and aluminium wires are allowed to be imported by Actual Users under OGL.....”

**Demand—Advances/Loans to exporters at concessional rate of interest of 7% Reserve Bank of India**

“

XXX

XXX

XXX

- (4) We have no information about the rate of interest on export credit currently prevailing in countries like Korea, Taiwan, and Japan which the petitioner has indicated at 7%. Even if it is true, this is to be seen in the context of the entire rate structure including the cost of funds for the lending banks. In India, cost of funds being anywhere around 10% and interest on credit given to large borrowers pegged at 19.5%, the rate of interest charged on export credit at 15.5% for the first slab and 15% for the second slab, is certainly concessive in nature, and should compare favourably which the rate 7% referred to by the petitioner.”

**Demand—Placing Ambala on Air Map**

**Ministry of Tourism and Civil Aviation**

“Neither Indian Airlines nor Vayudoot or any other-non-scheduled operator has evinced interest for operating scheduled air service through Ambala. Apart from this, the proximity of Ambala to Chandigarh precludes the possibility of Indian Air lines operating to both these stations. Besides Ambala being a sensitive Defence Establishment, the Air Headquarters may not agree to any proposal for the scheduled Civil Air Services through this Aerodrome. However, the matter, will be considered, if Vayudoot evinces interest in operating to Ambala at a later time.”

**Demand—Opening of Export Import Bank Branch at Ambala**

**Ministry of Finance (Department of Economic Affairs)  
(Banking Division)**

“As regards opening of a branch of EXIM Bank at Ambala Cantt., it may be informed that Exim Bank which was set up on 1.1.1982 has not yet opened any branch any where in the country. However, the request made by the Association has been forwarded to the EXIM Bank for appropriate action.”

**Demand—Professional guidance to exporters by Banks.  
Reserve Bank of India**

“The petitioner’s contention that bank officials are not conversant with foreign exchange rules of RBI and Joint Chief Controller of Imports and Exports rules as well as fine points on preparation of shipping documents may not be entirely incorrect. It is only that the staff that is assigned for the purpose that can be expected to have an expertise and not every official at the branch of the financing bank. The rules referred to by the petitioner are public documents and are available as much to the export community as to the bank officials.

xxx

xxx

xxx

Bank officials are said to be not conversant with the provisions of the UCPDC. This international code of customs and practices is a highly technical document and even today there are several issues on which neither banks nor exporters are completely agreed. There have been several cases where matters have gone to the International Chamber of Commerce for clarification or have even gone to the courts of law for decision. While bank officials handling export credit transactions are, by and large, conversant with the provisions of UCPDC, it would be too much to expect them to be able to interpret for their clients the intricate provisions of the Code. This is of course not to deny the need for bank officials to be in the know of the provisions of the international code.”

**C. Evidence before the Committee**

2.6 The Committee at their sitting held on the 9th February, 1984, examined the representatives of the Ministry of Commerce alongwith the

representatives of the Ministries of Steel & Mines (Department of Mines) and Railways (Railway Board) on the points raised in Petition No. 17 regarding incentives and facilities to scientific/electronic instruments exporters in Ambala Cantt.

2.7 Informing about the trade share captured by India in the world market, Shri Abid Hussain, Commerce Secretary, stated that export in some of the fields faced difficulties as the production in India was not based on sophisticated technologies and the skills of production were not good enough to give the best advantage of the factors of production. However, in spite of the difficulties that existed in trading access to markets, they were making a consistent effort to give a boost to exports. To that end they had also assigned a special role to the Export Promotion Councils in different sectors. In the particular sector of scientific and electronic instruments, the Engineering Export Promotion Council played an important role in boosting exports.

2.8 As regards the country's performance on production and exports sides, the Commerce Secretary stated that the position was consistently improving. In the engineering area, the production and export had been consistently increasing at the rate of 10-15 per cent. However, the share in global figure of export by and large had not improved because the major increase in the total value to world trade had been due to abnormal escalation in the value of oil. Hence those countries which were not exporting oil, their share in comparison with those exporting oil appeared to have dwindled in the total world trade.

2.9 When asked the reasons for India's percentage in world trade not showing an increase when the figure had been improved, the Commerce Secretary stated that in the world trade two developments had made a significant impact. One was that the price of oil jumped up and with that without much change in the quantity of supply the money realisation for it had increased. The second factor was inflation. With inflation such of those countries which were exporting their machinery and equipment got larger returns in term of currency. Those two factors added to make the total size of the world trade bigger. With the result that share of those countries which did not benefit from those two factors appeared less in proportion. As far as India was concerned its exports as such had expanded constantly. It increased from Rs. 7000 crores to Rs. 8000 crores in 1980-81 and from that about Rs. 9000 crores in 1981-82. In spite of that the percentage in world trade looked to be getting less. As regards improvement in the export of scientific and electronic equipment, the Commerce Secretary informed that in 1978-79, it was Rs. 216 lakhs and today it had gone upto Rs. 900 lakhs.

2.10 When asked to state the efforts made to increase the quality of exports, the Commerce Secretary informed that they were constantly improving the quality. Of late some of the English firms (who were main suppliers of scientific and other equipments) were trying to set up units in India in collaboration. But India's acquisition and adoption of latest technology had rather been slow. They had got small-scale operations considerably. Such of those countries who had no consideration or concern for small scale industries had taken to big sizes and big scale of operation. They got an edge over them in international market. But they compensated that by two things : first, the small sector that they had in India, was very competent ; second, the wages they paid were less than the wages paid by some of those developed countries.

Adviser to Engineering Export Promotion Council added that the Council had opened 13 overseas offices and they were looking out for the export of specific items. Scientific items were also included in those items. They were trying to have dialogue with individual manufacturers, particularly, in Ambala region. The discussions were going on and they were trying to improve quality and market potential.

2.11 About the competition in scientific and electronic goods, the Commerce Secretary stated that their competitors were Japan, China, Pakistan, UK, USA and West Germany. There were countries like UK trying to move towards India so that with India as a base, they could challenge Japanese supply and get into South-East Asian markets. So far as USA and West Germany were concerned, there was little competition.

2.12 Asked about the steps being taken to explore new markets for Indian scientific and electronic goods, the Commerce Secretary stated that bilateral negotiations were being made with socialist and other countries. They promoted their manufacturing items. With Russia they had tried to push instrumentation as an important item. Delegations were also sent. Small scale representative was associated with the delegation and were given opportunity to project their ideas.

2.13 When enquired about the quantum of exports to some African countries in respect of those equipments, the Commerce Secretary stated that Educational instruments were being sent to them. With some of the African countries, the question of payment came in way of the exports. It was called Mixed Credit line with certain African countries so that the flow of goods might continue. The trade with African countries had increased in absolute



figure, but they had not been able to make headway due to payment problems. Because of their payment difficulties and their inability to provide sufficient credit, trade was stagnating with some of these countries.

2.14 When asked to state the value of total production of scientific and electronic goods in the country and the share of Ambala manufacturers in it, the Commerce Secretary stated that Ambala was the main centre for the export of such instruments and its production was 2/3rd of the entire country.

2.15 When asked about the final decision in regard to setting up an Inland Containers Depot at Tuglakabad, New Delhi, on a pilot project basis which was expected to be commissioned shortly, the Commerce Secretary stated that certain problems were there which had to be looked into. The Ministry of Works and Housing had to be taken into confidence before the work could start. At present, facilities were there in Pragati Maidan to start with. All the requirements had been attended to and they expected that during February, 1984, they would make it function.

2.16 Explaining the delay in providing the facility of Inland Containers Depot, the Commerce Secretary stated that first of all they decided in principle that there should be a dry port. But when discussions took place the idea of dry port was abandoned and instead they floated the idea of Inland Container Depot. There were two things. One was the immediate need to provide there facilities and to arrange the transport of goods to the ports. Immediate steps were taken in the sense that the authorities provided them facilities and gave the export priority 'B' which made them get the priority over any other product for movement or allocation of wagons and other things. That had already been done. Regarding delay, the Secretary stated that containerisation involved several things like arrangements with the Railways, Shippers, Port Authorities and documentation which should be a common document. These things in the initial stage always took a lot of time. Transport Ministry started that particular work simultaneously with the Railways, Shipping Agency, transport authorities and the Insurance Company. In Madras they were able to initiate it. In Tughalakabad, Delhi, they were still not able to work out some arrangements with the Bombay port Labour authorities.

2.17 When asked how many containers were going to be provided, the representative of the Ministry of Railways (Railway Board) stated that they would be starting bi-monthly service and it would be increased three or

four times a month depending upon traffic. They would go on increasing the frequency from Northern region through Bombay and in the next five years the projections were about 5000 to 6000 containers. He added that there was no constraint on the provision of these containers because containers were owned by large international leasing companies and to the extent cargo became available, the shipping lines provided containers. Bombay port was in the final stage of making negotiations and as soon as they received communication from them, they should be in a position to start the services within three to four months time. They had informed that a meeting was being convened in the second week of February, 1984 and within a few days of that meeting, they would give the final clearance.

2.18 When asked whether any study had been made about the rate of bank interest on advances and other credit facilities to exporters in India *vis-a-vis* other Asian countries, the Commerce Secretary stated that the question relating to interest rate and availability of the liquid cash etc. had been considered by the Patwardhan Committee set up by the Reserve Bank of India. It was understood that the Committee had since submitted its report to Reserve Bank of India and they were awaiting their reaction. The Commerce Ministry had always maintained a dialogue with the Reserve Bank of India on the question of credit and making it available on easy terms to the extent possible, and from the cash compensation side and from the marketing development fund, they were always trying to see as to how best they could compensate for the rates which were higher than the rate of interest prevailing in some of the neighbouring countries, but India capital scarce, they were not in a position to give such facilities of interest rate as were available in countries like Pakistan, Singapore and others. He however, added that they gave about 2% concession between normal rate of interest and rate of interest charged for the finance made available for export. While it was not possible to reduce the rate of interest to 7% the exporters were allowed concessional rate of interest both for pre-shipment and post-shipment at the following rates as compared to normal rate of 18% :—

12% up to 180 days ;

14.5% above 180 days up to 225 days ;

16.5% above 225 days.

In addition to that the Government had taken several steps to provide incentives to exporters. One was the cash compensatory support introduced since 1969 which had boosted export.

2.19 Regarding the petitioner's demand that goods meant for export be moved by parcel train and freight should be charged at the goods train rates, the representative of the Ministry of Railways stated that there was a scheme of subsidy in the freight rate earlier, but with the Railways finances and revenues not keeping pace with the increasing expenditure that scheme was withdrawn around 1978.

2.20 When pointed out that in respect of export credit, no distinction was made between small exporters or large exporters including an export-house whereas for the purpose of domestic credit small-scale industries which came under the priority sector got bank finance at concessional rates of interest, the Commerce Secretary stated that so far as the exports were concerned, the banks had taken them as a universally applicable position, but where production, were concerned it came under the Ministry of Industries, small industries were given certain protections which were not available to the large industries.

He added that where export was concerned in the international market they were only interested in getting the products of a quality at a competitive price and of a durable nature. There they were not interested in knowing whether the supplier was from small-scale industry or from a backward area. There was an open competition and a free market atmosphere worked there. Following from that premise and logic, the differences were not made in that regard.

However, to help the small-scale exporters the State Trading Corporation had been asked to support small scale industry in finding new market, in becoming their associate, giving them credit facilities and giving them certain promotional facilities to move forward. The Trade Development Authority had got their clients who were entirely small scale industry people and they tried to find out international market for them and to create market conditions for them. As far as banks were concerned, no difference was made. The banks' view was that if they wanted to support and help somebody, it was either from the market development fund or they should try to help them through promotional activities. That was a conceptual problem with them.

2.21 When asked whether arrangements could be made to provide stop overs of such existing flights of the Indian Airlines at Ambala, which overflowed Ambala, the Commerce Secretary stated that they would consider the matter.

2.22 Regarding opening of Branches by Export Import Bank, the Commerce Secretary stated that the EXIM with its Headquarters in Bombay had started opening its Branches in the country. There were three branches in Calcutta, Delhi and Madras. When enquired whether there was any proposal to open a Branch of EXIM in Ambala, the Commerce Secretary replied in negative and stated that Delhi should be able to take care of the interest of Ambala.

*D. Observations/Recommendations of the Committee*

2.23 The Committee note the position stated by Government in their factual comments on the various demands made in the petition and in their submissions made by the representatives of the concerned Ministries before the Committee during the course of the oral evidence.

2.24. The petitioners have pointed out in the petition that India being the third largest scientific and technical manpower in the world has not been able to capture even 0.5% of world total trade share. They have, therefore, submitted that all out efforts are required to be made by the Government to identify new markets and at same time, maximum possible encouragement be given to exporters.

In his evidence, the Commerce Secretary has informed the Committee that export in some of fields faced some difficulties as the production in India was not based on sophisticated technologies. However, in spite of difficulties, consistent efforts are being made to give boost to export. For that they have assigned a special role to the Export Promotion Councils in different sectors. The Engineering Export Promotion Council played an important role in boosting export in the sector of scientific and electronic instruments. He also informed the Committee that in the engineering area, production and export had been consistently increasing at the rate of 10-15 per cent per annum. However India's share in the world trade by and large had not improved due to abnormal escalation in the value of oil and inflation in the world.

2.25 As regards improvement, in the export of scientific and electronic equipment, the Committee note from the submission made by the Commerce Secretary that in 1978-79 it was Rs. 216 lakhs and at present, it has gone up to Rs. 900 lakhs. Further bilateral negotiations were being made with various countries. Delegations are being sent and small scale representatives being associated with these delegations to project their ideas for export of these items.

The Committee further note that Ambala is the main centre for the export of scientific and electronic instruments and its production is two third of the entire country. The Engineering Export Promotion Council has opened 13 overseas offices and they are looking after for the export of specific items including scientific items. They are trying to have dialogue with individual manufacturers, particularly in Ambala region. The discussions are going on and they are trying to improve quality and market potential of these scientific items-

The Committee are happy to note that the Government is fully conscious of the need for boosting export. Where efforts are being made by them to penetrate into the world market especially where there are other competitors, there is also need for giving incentives and facilities to exporters for encouraging export.

2.26 The Committee note that an Inland Container. Depot at Pragati Maidan, New Delhi was expected to start its functioning during February, 1984. The Committee trust that the proposed Inland Container Depots might have started functioning.

2.27 As regards enhancement of cash incentives, Draw Back and FOB value of goods, the Committee note from the factual comments of the Ministry of Finance (Department of Revenue- Draw Back Directorate) that at present scientific equipment and electronic instruments are covered under SS 5302 and 5303 of the Drawback schedule and are entitled for All Industry rates of drawback @ 30% and 10% f. o. b. respectively. If the traders feel that these rates are on lower side they are always open to come up with their justification for the increase in rates in the prescribed manner and submit their date in DHK-I, II, III, statements for further consideration of the Ministry of Finance.

2.28 In regard to availability of raw materials for benefit of exporters, the Committee note that most of the raw materials referred to in the petition, barring a few, are indigenously available. However, the list does include a few the imports of which are canalised through MMTC. Taking into account the difficulties of the up-country actual users in taking delivery of imported raw materials from our port godowns. MMTC has opened distribution centres in different places in the country. Among other places, two such distribution centres have been opened, one each at Yamuna Nagar and Ludhiana. Ambala is about 45 kms. from Yamuna Nagar. However, the Committee recommend that Government may consider

the feasibility for opening a similar distribution centre at Ambala in view of Ambala being the main Centre for the export of scientific and electronic instruments and its production is two-third of the entire country.

2.29 It has been represented to the Committee that the Banks charge heavy rate of interest on advances to exporters and also there is no incentive given to small/medium scale Industries for export production. The Banks make profits out of the differences in sale and purchase rate of foreign currency. Besides, they charge commission for negotiation of documents. Therefore, the Banks should also contribute their share to encourage exports by giving advances/loans to Exporters on concessional rate of interest of 7% as given in other countries.

During the course of evidence, the representatives of the Ministry of Commerce have stated that India being capital scarce country they are not in a position to give such facilities of advances at concessional rate of interest as are available in countries like Pakistan, Singapore and others. However, the Government give 2% concession between normal rate of interest and rate of interest charged for the finance made available for export. While it is not possible to reduce the rate of interest to 7%, the exporters are allowed concessional rate of interest both for pre-shipment and post-shipment.

The Committee feel that 2% concession in the rate of interest on advances for export production is not sufficient incentive for export promotion. The Committee recommend that small exporters may be considered for bank finance at more concessional rates of interest so that they are able to compete in the world trade, increase export and improve the quality of export.

2.30 The Committee note that the EXIM with its Headquarters in Bombay have started opening its Branches in the country. At present, there are three Branches in Calcutta, Delhi and Madras. Though Ambala is a main Centre for the export of scientific and electronic instruments and its production, the EXIM have neither opened nor have any proposal to open its Branch at Ambala on the plea that Delhi shall be able to take care of interest of Ambala. The Committee hope that the EXIM Branch at Delhi opened recently will serve the requirements of the petitioners.

## III

### REPRESENTATIONS REGARDING DETERIORATION OF TELEPHONE SERVICE AT RANIGANJ COALFIELD DIALLING EXCHANGES AND IN BOMBAY

#### RANIGANJ COALFIELD GROUP DIALLING EXCHANGES

The President, Raniganj Chamber, Raniganj (West Bengal) addressed a telegram dated 9 July, 1982, regarding deterioration of telephone service at Raniganj Coalfield Group Dialling Exchanges.

#### A. Petitioner's grievances and prayer

3.2 In his telegram, the petitioner has stated as follows :—

“Being frustrated, disgusted, disappointed we crave your personal attention. Telephone services Raniganj Coalfield Group Dailling Exchanges completely collapsed. Thousands of subscribers facing untold hardships. Inspite repeated representations telephone services fast deteriorating. Pray emergency steps.

#### B. Comments of the Ministry of Communications

3.3 The telegram was referred to the Ministry of Communications (Posts and Telegraphs Department) for furnishing their factual comments thereon. The Ministry of Communications (Posts & Telegraphs Department) have furnished their factual note dated 19 August, 1982, stating as follows :—

“There had been same deterioration in the services of the Raniganj Coalfield Group Dialling Exchanges. A high level meeting was arranged in April 1982 to discuss the problems of this area and the long term planning. During the discussions some decisions were taken on the actions to be taken to improve the telephone services.

Action on most of the points has been initiated and is being pursued.

A Study Group of officers was also set up to study the problems in Raniganj area in depth and to suggest measures to be taken to improve the telephone service in the entire area. The Study Group spent one week in Raniganj to study various problems. The group has submitted the report and action is being taken on the various recommendations given by the study group. It is expected that these measures will improve the services of Raniganj telephone system significantly before the end of the current year."

3.4 Subsequently, the Ministry of Communications (Posts and Telegraphs Department) *vide* their letter dated 30 November, 1982 have furnished a detailed statement showing the various recommendations made by the Study Group who visited Raniganj to study in depth the problems of telephone system in the area and the action taken thereon by the Government (Appendix III).

### **C. Evidence before the Committee**

3.5 The Committee at their sitting held on the 10th February, 1984, examined the representatives of the Ministry of Communications (Posts and Telegraphs Department) on the points raised in the representation regarding deterioration of telephone service at Raniganj Coalfield Group Dialling Exchanges.

3.6 The Committee asked the representatives of the Ministry of Communications to explain the background about the formation of the Study Group of Officers to go into the causes of deterioration of the telephone service in Raniganj, the Secretary of the Ministry stated that various problems had been faced by telephone subscribers in Raniganj. The first complaint was received in 1980. The Study Group of Officers was formed on 20 March, 1982. On being pointed out, the Secretary of the Ministry admitted that it was the responsibility of the Officer incharge of the area to keep track of performance of telephone service and if he was not able to set that right, it was his duty to bring it to the notice of higher Officers/Department.

3.7 When enquired about the findings of the Study Group, the representative of the Ministry stated that the major finding of the Study Group was that all the three components of the Exchange Equipment *i.e*



exchange equipment, the out-door plant and the telephone instrument needed repairs and testing at regular.

3.8 Explaining the action taken on the recommendations of the Study Group, the Secretary of the Ministry stated that one of the recommendation was installation of two cable cabinets. That had been completed.

3.9 On an enquiry, the Secretary of the Ministry informed the Committee that Cable Terminal (C.T.) Box fitted inside Cable Cabinet was an imported item. It was difficult to get it in adequate quantities. It was proposed to be manufactured in the Tele-communications Factory of the Department and the production was expected to commence in two years' time.

3.10 The representative of the Ministry further informed the Committee that out of twelve recommendations eight had been implemented fully. Work was in progress in respect of the remaining recommendations and the work was expected to be completed within 18 months' time.

### **BOMBAY TELEPHONES**

3.11 Shri S.S. Bankeshwar, Chairman, Telephone Subscribers' Association, Bombay, submitted a representation regarding deterioration of telephone service in Bombay.

#### **Petitioners' Grievances and Prayer**

3.12 In their representation dated 31 August, 1982 (See Appendix IV), the petitioners stated, *inter alia*, as follows :—

- (1) A large number of phone subscribers are receiving inflated bills even after they have got their S.T.D. connections disconnected.
- (2) Wrong disconnections of phones even the payments of the bills have been made in time.
- (3) Demand notices are being received from the Bombay Telephones for the payment of their alleged unpaid bills for the years 1970-71.
- (4) On an average, every phone subscriber receives five to six wrong calls per day.

- (5) Non-coordination in Bombay Telephones and defective telephone meters resulting in loss to subscribers.
- (6) Difficulties in establishing a local call due to installation of defective instruments.
- (7) Difficulties in booking Trunk Calls.
- (8) Tampering of connecting lines by the Telephone staff.
- (9) 50% Public Call Offices are always dead.
- (10) 25% of the phones are permanently dead in Bombay.
- (11) Inordinate delay in transferring of phones from one exchange to another.
- (12) Long waiting time for new connections. Installation of symbolic instruments and real connections not so far given.

3.13 The petitioners requested for redressal of their above grievances.

#### **B. Comments of the Ministry of Communications (Posts and Telegraphs Department)**

3.14 The representation was referred to the Ministry of Communications for furnishing their factual comments thereon for consideration by the Committee on Petitions. In their demand-wise factual note dated 17 May, 1983, the Ministry have stated as follows :—

##### **(1) Excess Billing**

The total number of excess billing complaints and other relevant statistical information about excess metering complaints is given in the Annexure for the last five years. No separate statistics is kept for complaints from those subscribers whose telephones are STD Barred. However, a quick sample survey in seven exchanges indicates that about 22 per cent of the total number of excess billing complaints are from the subscribers whose telephones are STD Barred. Since the total complaints themselves are very small, the percentage of complaints from those whose telephones are STD Barred becomes fractional. In this context, it is to be noted that excess metering complaints were existing in the Department even when the STD services were not introduced and complaints about alleged excess metering have really not

much to do with its existence or otherwise with STD facility. In any case when complaints of excess metering are received from subscribers whose telephones are STD Barred, even deeper probe than normal is made and as far as possible, benefit of doubt extended to the complainants.

There is no evidence available with us to the effect that certain unscrupulous subscribers pay hafta to the linemen and 'meter-in-charge' to get their quarterly bills reduced at the cost of honest subscribers. In fact, if the metre incharge is trying to favour somebody, it would have been easier for him to make the meters of the relevant subscribers whom he wants to favour non-operative rather than divert the metering to 'honest subscribers'.

## **(2) Wrong Disconnections**

Normally the telephone bills are to be paid within 15 days of issue and the due date is printed on the telephone bill. A telephone line comes in for disconnection nearly one month after the due date prescribed in the bill, is over. In the meantime, two telephonic reminders at intervals of 15 to 20 days are given to the subscribers for payment of outstanding bills. Moreover, at the time of the second reminder, the subscriber has the opportunity to furnish the particulars of payment if the bill has been paid and in such cases, the line is not disconnected. It may also be mentioned in this connection that the Department has laid great emphasis on wrong disconnections. In fact, in Member (Finance)'s D.O. No. 2/34/81/TR, dated 15. 6. 1981, it is stipulated that "responsibility is to be fixed in every case of irregular disconnection and that, the reasons that led to the irregular disconnection should be analysed and loopholes, if any, in the procedures should be plugged." Action is being taken accordingly in this District.

## **(3) Sudden Demand Notes for Old Outstanding Bills**

In the course of review and clearance of old outstanding telephone dues from subscribers, it is sometimes noticed that some bills relating to old periods are outstanding and subscribers are then asked to pay. However, the number of such cases is very small, of the order of 15 to 20 per year when compared to the large number of subscribers *i.e.* about three lakhs. According to our understanding, the Department can claim dues upto thirty years as per the Limitation Act.

## **(4) Wrong calls and Overloading of Exchanges**

The functioning of the telephones in Bombay is being continuously observed on a special observation equipment to ascertain the quality of service

given to the subscribers. From the data available by this observation, it is found that less than one per cent of the total number of calls originated by the subscribers turn out to be wrong numbers. The statement that all the exchanges are over-loaded is not substantiated by facts. The loading of the system is only 91 per cent whereas according to the various guide-lines issued by the Board, the loading can go upto 94%.

With regard to quality of the equipment, Bombay Telephones has to make with whatever quality the equipment is made available today.

#### **(5) Non-coordination in Bombay Telephones**

It is not clear as to what exactly is meant by this paragraph. There is complete coordination between the various units of Bombay Telephones and coordination meetings are held regularly. The meters are tested and meter readings taken under proper supervision. Moreover, all the meter rooms are kept under lock and key and the meters are all sealed.

#### **(6) Difficulties in establishing a local call**

As mentioned earlier, an observation unit of the Bombay telephones regularly conducts traffic trials from all exchanges in which process, calls are made by non-technical personnel to sample the service. The percentage of failures in Bombay Telephone network, as it stands, is about 8 per cent. Barring stray cases and that too at certain times of the busy hour, the telephone exchanges do not have the problem of getting dial tone. As regards the statement that the number dialled is perpetually engaged, the main reason is that of congestion resulting in long waiting lists and high occupancy in terms of time, of telephones. Regarding getting engaged tone and ringing tone simultaneously and not getting any tone, occasionally, such cases do come up and when noticed, the defects are rectified.

#### **(7) Difficulties in booking trunk calls**

The Trunk Call Booking is on a 3-digit number starting with digit-1. The level-1 services are under excessive strain during the last decade as the number of subscribers have increased and the number of positions and other corresponding equipment is inadequate. As Bombay Telephones are conscious of this, a Special Service Centre and Trunk Exchange is under installation. With the commissioning of this equipment, there will be substantial relief in availability of trunk dialling and other operating services.

**(8) Piracy of Phones**

Piracy of Phones about which some cases have come to notice is a social disease in which the subscriber is also a party to piracy. Such a large number of junction points are existing in the Bombay Telephone network that it is not possible to keep a close watch on possible piracy inspite of all efforts made to lock all junction points in the shape of boxes, pillars, cabinets etc. It may also be mentioned that the piracy is not necessarily done by the Departmental staff but by outsiders also who know a little about electrical work. In fact, in many cases, it was gathered that the piracy was done by outside wiremen who do electrical work in the buildings concerned.

**(9) Public Call Officers.** The Bombay Telephones have slightly over 4000 P COs. A system of continuous monitoring of the working of these PCOs is in vogue for the last three years. During 1980-81 and 1981-82, in overall working efficiency of the PCOs in this system was between 93 to 94 per cent. This figure is being maintained during the current year as well. It may also be noticed, in this context, that the PCOs of coin-collecting box type are subject to misuse and tempering by unscrupulous elements. The attempted misuse results in the PCOs going out of order.

**(10) Dead Phones**

The number of complaints received from subscribers in Bombay about faulty telephones is of the order of 30 per 100 stations per month. The figure goes upto 35 during the monsoon season, due to cable break downs. A lot of preventive measures have been taken during the last several years to reduce the faults.

In '53' and '612' exchange, a lot of cable re-arrangement work had to be done during the pre-monsoon period of last year on account of the coming up of the new exchanges. This had resulted in some faults but they were attended to with maximum speed.

**(11) Difficulties in shifting of telephones**

Normally the shifting of telephones does not take a long time if the work order is issued. In some cases delays do occur due to technical problem or non-availability of cable pairs.

**(12) Long Waiting Time for new connections**

It is a fact that waiting period in Bombay in some areas for telephone connections is very long and the waiting list itself is very long—of the order

of 1,50,000 applicants and the waiting period varies from 12 years to a few months, depending upon the area.

As regards the allegation about symbolic instruments being installed at the residences of the subscribers whose applications were sanctioned and work orders issued about two years ago, it is not possible to make any comments in the absence of specific cases. However, we have been now installing a large number of exchanges, each having a capacity of 10,000 lines. This involves large scale area transfers. It is also stipulated by Directorate that on the date of commissioning, the new exchange should be loaded to 60% of its capacity. This means a very large number of telephones have to be commissioned at one time. This calls for advance commercial and field actions such as decisions to release new connections to the waiting applicants in such a way that the waiting list clearance is more or less equitable in the relevant exchange areas, publicity of the releases in the local newspapers, bonafide verification (simplified recently), laying of LIs to extend the underground pairs from exchange to the subscribers premises, advance wiring and installation of the telephone instrument at subscriber's premises etc. It is the last item which is mentioned in the petition. Though all the other actions have to be completed 2 to 3 months in advance, if subscriber's fitting and instrument placement is not done in advance, the objective of the department (60% initial loading) cannot be achieved. All these advance actions are based on an assumption that the new exchange will be commissioned on so and so date/month. If this assumption does not fructify, complaints of the type made in the petition are received.

#### **F. Evidence before the Committee**

3.15 The Committee also examined the representatives of the Ministry of Communications (Posts and telegraphs Department) on the points raised in the representation regarding deterioration of telephone service in Bombay at their sitting held on the 10th February, 1984.

3.16 When enquired about excess metering complaints in Bombay Telephones, the Secretary of the Ministry of Communications stated that every telephone subscriber had a small meter. In order to ensure that these meters were working satisfactorily they checked them every 15 days. Then every month the meter reading was manually taken. However, he admitted, this system was not fool proof.

3.17 The representative of the Ministry further stated that they had intensified their vigilance work in that regard to prevent such type of come-

plaints. They had several observation positions. The conversation which telephone operator made was monitored without his knowledge. At regular interval, supervisors moved around and watched these things. About 800 such cases had been detected in the entire country.

3.18 Enquired whether there was need to more vigilance, the Secretary of the Ministry agreed that definitely more vigilance was needed. They were worried because it meant less of revenue to their Department. He added that monitoring and supervision functions had been strengthened. He expressed the hope the number would come down in future.

3.19 When asked to state the excess metering cases in Bombay, the representative of the Ministry of Communications stated :

“I will give the entire figure. In 1981-82, 10635 complaints ; in 1982-83, 10524 complaints; this was against billing of 17 lakhs and odd. We had opening balance 2,000 ; then 10,500; total 12,500; 10,000 and odd got finalised in 1982-83. About 15% may be the cases of excess billing.”

3.20 Explaining the action taken on excess metering complaints, the Secretary of the Ministry stated that they gave rebate, and the complaint was settled in about three months. In case of large amount, and in appeals, more time was involved.

The representative further stated that the disputed part was investigated. One was the case of mechanical failure, the other was human failure. In the first case they repaired the equipment. When human error was there they tried to pinpoint staff and take action. Every month metering circuit was also tested. The Committee was informed that on an average 2-3 months were taken to settle the complaints about excess metering (billing). When large amount was shown in the bill, the subscriber was given option to split the bill into two bills and the telephone would not be disconnected if the average part of the bill was paid. The disputed part was investigated.

3.21 Asked about action being taken to fix responsibility in cases of irregular disconnections and steps being taken to plug loopholes in procedures the representative of the Ministry of Communications stated as follows :

“For the payment of telephone bills in a city like Bombay is that several telephone offices themselves will have counters. In addition about 50 post offices in Bombay can receive the payment of the

telephone bills. From the post offices they will have to intimate to the Central Chief Accounts Office that these bills have been paid. In some cases, there may be some delay in transmitting this information as to who have paid the Bill, how it has been adjusted, etc. and that the more or less what it means by the procedure which results in telephones being disconnected though the bills have been paid to one of the Post Offices.

Before disconnecting the telephone, we have to take action about informing the parties that a Bill is pending against them and it should be a sort of notice to them. In case they say that they have paid the Bill in such and such Post Offices, we should check up with those Post Offices. But very often we find that either the parties are not available or we are not able to communicate with them. That is the reason why this type of complaint is there."

3.22 As regards the number of telephones disconnected for non-payment of bills the representative of the Ministry of Communications stated that about 47,980 telephones were disconnected for non-payment of dues. But after settling the cases, they got the reconnection.

3.23 The Committee desired to know whether disconnection of all these telephones was done after following the laid down procedure and rules, the Additional Director-General, Bombay Telephones stated as follows :—

"We always give 15 days time for the payment of the Bill. This period is indicated in the Bill itself. Afterwards we give another 15 days time so that they can make cash payment at our cash counters. Ultimately we really disconnect the telephone connections after 45 days. As per our records, if there is no payment received, then only disconnection is effected. It will be a very rare case where disconnection takes place. But by and large disconnection is effected. Actually it is intended that we should collect the money as early as possible and even not billing it at the right time is supposed to be a serious lapse on the part of the staff concerned. Usually they do not skip any Bill as not issued. But it may happen that on an internal audit check, we may find that the party has not been billed correctly. In such cases, the old cases may come up and they may be billed."

3.24 Asked about the normal period of review and clearance of old outstanding dues, the representative of the Ministry stated that under the Act, the Department was competent to put up claims upto a period of 36 years. But it was very rarely that anything like that happened. But in the



case of Bombay Telephones about 3 or 4 years back, they went in for computerisation. So, some of the old bills were pending and they had to be manually checked up and finalised. Therefore, there were some delays in the issue of these Bills. Now, the position was completely under control.

3.25 The Committee desired to know the reasons for wrong calls. The representative of the Ministry stated as follows :

“The main reason is a defect in the dial of the subscriber; the exchange faults can also result in wrong numbers; the dials have to be adjusted to a particular speed. If it is too slow or too fast the equipment would not respond to it and we will get wrong numbers. Poor quality of relays, condensers and defective equipment can result in wrong calls. Our experience is that the wrong calls are a very small percentage. Our assessment is less than 1%.”

3.26 The representative of the Ministry further stated that if they found that there was a mechanical defect, they got it investigated and gave the subscriber a rebate.

3.27 In regard to the quality of equipment, the representative of the Ministry stated as follows :

“Our telephone Exchanges are of two types; Strowger and Crossbar, These are manufactured in India. These Exchanges do give good service, but our traffic is very very high; our power supply is very bad and we cannot provide these exchanges proper airconditioning and the equipment gets spoiled. But fundamentally, the design of the equipment is satisfactory. Now, of course, we are going in for electronic exchanges and all in the big cities these are being installed.

3.28 The witness informed the Committee that they had a telecommunication research centre functioning since 1960 for bringing about improvement in the equipment which they would like to extend it substantially.

3.29 The Committee desired to know the steps being taken to remove the difficulties of telephone subscribers in booking calls in Bombay, the representative of the Ministry of Communications stated that another trunk exchange was being installed in Prabhadevi complex and that was expected to be ready by May, 1984.

3.30 Asked how much time was taken to shift telephone of a subscriber the Secretary of the Ministry stated that it took about two months.

3.31 In regard to delay in installation of new telephones, the Secretary of the Ministry stated that the total allotment of funds for the Department was not sufficient to meet the waiting list. Today there were about 25 lakhs telephones, and the waiting list was about eight lakhs, which was one-third of the working connections. Every year this number was going up. For installing one telephone, the expenditure was of the order of Rs.25,000 and the total allotment had to be rationed by the Planning Commission. They had to distribute it over the whole of the country depending on the demand.

3.32 Explaining the difficulties in maintaining efficient telephone services in Bombay on account of damages to the cables due to digging by Municipal authorities, the Secretary of the Ministry stated:—

“It does happen because cables are on one side of the road and the electric cable, sewage and water pipes also come in the same area. But when they give the connection to the houses, they dig the roads. In our case the voltages are low. Anybody who hits it would not be hurt. The Coordinating Committees are set up in various big cities. But sometimes at lower level coordination is not there. You may have seen the caption 'Dial before you dig. It is just to tell them please tell us when some digging works is taken up so that we put our person and say our cables are here and in this way we can prevent damages. We go on trying our best. In the last three or four years we are very particular to check this aspect. These cables which were laid in older days, we would not be certain about them.”

3.33 In this connection, the Deputy Director General of Directorate of Posts and Telegraphs added:

“We do place route indicators as well as joint indicators. We provide a small disc type indicator at every 50 meters to show that there is a cable.”

The Committee were also informed that recently they were constructing cable ducts of concrete which has been started in Bombay, Calcutta and Delhi to protect damages to the cable.

*G. Observations/Recommendations of the Committee*

3.34 The Committee note from the factual comments furnished by the Ministry of Communications (Posts and Telegraphs Department) that there had been some deterioration of the telephone services at Raniganj Coal-field Group Dialling Exchanges. The Committee also note that a Study Group of Officers was set up in March, 1982, to study the problems in Raniganj area in depth and to suggest measures for improvement in the telephone service in that area. That Study Group had suggested certain measures to improve the telephone service at Raniganj Coalfield Group Dailling Exchanges and action was being taken by Government on the various recommendations of the Study Group.

The representatives of the Ministry of Communications during the course of oral evidence informed the Committee that out of twelve recommendations made by the Study Group, eight recommendations had been implemented fully. Work was in progress in respect of the remaining recommendations and it was expected to be completed within 18 months time.

The Committee trust that the Ministry will keep a close watch in regard to the progress achieved on the implementation of the remaining recommendations of the Stuby Group, ensure that the remaining work is completed within stipulated time of eighteen months.

3.35 During his evidence, the Secretary, of the Ministry of Communications informed the Committee that the first complaint was received in 1980 and the Study Group of Officers was formed in March, 1982 to study the problem of deterioration of telephone services in Raniganj area. The Secretary of the Ministry also admitted that it was the responsibility of the Officer incharge of that area to keep track of the performance of the telephone service and if he was not able to set that right, the appropriate course for him was to bring that to the notice of the Department.

Telephone is a public utility service and it is essential that this service functions efficiently, The Committee recommend that suitable instructions may be issued to the Telephones authorities at various level that in case of persistent complaints of deterioration of telephone service, the matter is brought to the notice of the Department immediately, The Committee would also urge the Ministry of Communications to take serious

note of complaints received from the public in regard to deterioration in telephone service in a particular area and initiate prompt corrective action.

3.36 The Committee note the position stated by the Ministry of Communications in their factual comments and in their submissions made before the Committee during evidence by their representatives on the various points contained in the representation on the deterioration of telephone services in Bombay viz. excess billing, irregular disconnection of telephones even after payment of bills in time, wrong calls, difficulties in booking trunk calls, piracy of phones, dead phones, delay in shifting of phones, etc.

3.37 In regard to excess metering complaints in Bombay Telephones, the Committee have been informed that the complaints of excess metering can be due to (i) mechanical failure and (ii) human error. In the first case they repair the equipment. In the case of human error they try to pinpoint the staff and take action. The representatives of Ministry admitted that Telephones Department is having a metering system which is not fool proof. However, they have taken certain steps. In order to ensure that meters are working satisfactorily they are checked every 15 days, Vigilance work in this regard has been intensified to prevent such type of complaints, monitoring and supervision functions have also been strengthened.

The Committee hope that with the steps taken by Government, the number of excess metering (billing) complaints in Bombay Telephones will come down. The Committee, however, recommend that the Bombay Telephones authorities should review the position after every six months and take further steps to reduce complaints of inflated bills to the minimum level.

3.38 As regards the complaints in respect of disconnection of telephone even after payment of Bills [in time, the Committee have been informed that the Telephones Department have laid down a proper procedure in this regard which is being followed by them. However, the Committee recommend that proper enquiry should be made and responsibility is fixed in every case of irregular disconnection and suitable action be taken against the erring officer/staff in such cases. The Bombay Telephones should as a matter of courtesy, express their regret to the subscriber at a Senior Officer level in case of irregular disconnection of his telephone.

3.39 In their factual note the Ministry of Communications have submitted that piracy of phones is a social evil in which the subscriber is also a party to the piracy. In view of a large number of junction points in Bombay Telephone networks it is not possible to keep a close watch on possible piracy inspite of all efforts made to look all junction points etc. An outsider who know a little about electrical work can do phone piracy,

The Committee are not satisfied with the position stated by the Government in this regard. The Committee recommend that suitable administrative and statutory steps may be initiated to check this social evil which causes monetary loss to the unsuspecting subscribers.

3.40 The Committee also suggest that two representatives of the Telephone Subscribers' Associations (Recognised/Registered) be given representation on the Telephones Advisory Committee so that subscribers' general grievances are adequately considered at the appropriate level and in time.

## IV

### REPRESENTATION REGARDING WITHDRAWAL OF LIQUIDATION PROCEEDINGS OF CONTAINERS AND CLOSURES LIMITED AND REVIVAL OF THE UNIT BY PROVIDING NECESSARY FUNDS

4.1 Shri M. Ismail, M.P. forwarded a representation signed by Shri Bimal Dutta and other workmen of Containers and Closures Ltd., 24-Parganas, West Bengal regarding withdrawal of liquidation proceedings of Containers and Closures Ltd. and revival of the Unit, by providing necessary funds.

#### A. Petitioners' Grievances and Prayer

4.2 In their representation, the petitioner stated as follows :—

“This Unit is under liquidation proceedings since it owes large amount to the State Bank of India and the Government of India is likely to denotify the Unit. This step of the Government will affect over 900 employees who will be rendered destitutes by this step. In this connection, we would like to state the following facts:—

- (1) Workmen had to give up many fringe benefits at the time of agreement with I. R. C. I. such as Incentive, bonus, E. S. I. leave pay, shift allowance etc. in 1973.
- (2) Workmen retired from their service but no new recruitment has been done in place of them but workload remained same.
- (3) Supply of raw material was never kept steady for full month (though the workmen always demanded for the same).
- (4) One production department (drum shop) has been closed. But instead of it, no new plant has been installed.
- (5) Moratorium Committee had been formed with Union Executives and management with a guarantee to increase productivity. But it could not be functioned due to non-cooperation of Management.

- (6) To keep the productivity steady workmen always demanded for supply of raw materials. Several demonstrations and memoranda have been given to local Management as well as all the Government concerns. But no improvement has been found.
- (7) Overhead of the factory Management increased at random.
- (8) Secured false call-up, fabricated in factory and at last sold it as scrap."

4.3. The petitioners prayed as follows :—

"The Government should withdraw the liquidation proceedings of Containers and Closures Ltd.

The liquidation proceedings should be stayed and efforts be made to revive the Unit by providing necessary funds.

The workers dues and other benefits should be duly protected."

4.4 Subsequently, Shri M. Ismail, M.P. addressed a letter dated 4 January, 1984, stating as follows :—

"After careful consideration of the State of Affairs of the Company I strongly feel that it can be a viable unit if proper steps are taken by the Government to rehabilitate the undertaking.

M/s. Mahabir Poddar the owner of the Company has made the unit sick due to gross mismanagement. The workers employed had acquired good skill from the operation of the Company but the private management never shown any regard to the problems of workers with the result that industrial relations were not at all satisfactory. An investigation conducted by the Govt. had lightened the mismanagement by the Company.

The Condition of the machinery is fairly good and if it starts production it would be able to operate with full capacity if the supply of raw material is ensured properly.

If I.R.C.I. which was managing the company for about eleven (11) years has not paid proper attention to run the undertaking profitably. Due to misappropriation of funds by the officials huge funds were frittered away adding to the losses of the company.

It is evident in the letter written by shri R. K. Bhargava, Joint Secretary, Ministry of Industry dated 10th September, 1982 to the Chairman-Balmer Lawrie Ltd. (See Appendix V). We feel that nationalisation of the unit which is basically viable and is employing 850 persons will be in public interest. Shri N. Guha, General Manager, Balmer Lawrie after enquiry into the condition of the Unit has noted that the machinery is in good condition (reference his note dated 19th January 1983). He states *inter alia* 'The product has a good deal of strength and likely to remain so far several years to come.' He also noted 'The Printing Machine recently installed can be used to great advantage except Metal Box none in this part of the country has modern lithography facilities.'

It is however strange to note that despite all these important observations the Government of India has decided to denotify the undertaking which will immensely harm the national Economy and livelihood of 850 workers employed in the Company.

I would, therefore, earnestly request you to consider the entire question so that the decision of the Government is reviewed and the unit is nationalised with a view to run profitably under M/s. Balmer Lawrie and Company.

I would further urge upon you to give an opportunity to the representatives of Gourepore Containers & Closures Labour Union to explain their view point to the Committee."

**B. Comments of the Ministry of Industry  
( Department of Industrial Development )**

4.5 The representation and the letter from Shri M. Ismail, M.P. were referred to the Ministry of Industry (Department of Industrial Development) for Comments. In their factual notes dated 20 December, 1983 and 6 February, 1984 (See Appendices.VI&VII) the Ministry have stated *inter alia* as follows:

"The management of the industrial undertaking of M/s. Containers & Closures Limited, Calcutta, was taken over under the provisions of Section 18A of the IDR Act on 28th November, 1972. The extended period of take over expired on 28th October, 1983.

The undertaking is employing 828 persons and is manufacturing tin containers, drums and metal closures. It has its main factory at



Naihati, about 50 KM from Calcutta, and a small factory in Bombay. The performance of the undertaking was consistently unsatisfactory during the takeover period. The main reasons for the poor performance were obsolete technology, old and obsolete machinery, high material wastage poor productivity, unsatisfactory quality control, lack of proper planning, high overheads, excess labour, unsatisfactory labour relations, management deficiencies and keen competition from larger units.

The undertaking incurred cash losses in each of post-takeover years except for the year 1974. The accumulated losses till December, 1982 added upto Rs.577.5 lakh as compared to the share capital of Rs. 25.5 lakhs giving negative net worth of 552 lakhs."

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**Ministry's Note dated 6 February, 1984.**

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"The Government requested M/s. Balmer Lawrie & Co. Limited in October, 1982 to examine the viability of the undertaking and to suggest if they could take over the undertaking on its nationalisation. In its report, M/s. Balmer Lawrie & Co. Ltd. pointed out the strengths and weaknesses of the undertaking.

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While forwarding the report to the Government, M/s. Balmer Lawrie & Co. Limited remarked that the overall scenario seemed to be very dismal to make the unit viable. The company also stated that it would not be possible for it to be involved with the operations of the undertaking.

Apart from contacting M/s. Balmer Lawrie & Co. Limited, the Government also made attempts to locate some other company, either in the private sector or in the public sector, which could take over the undertaking. These companies included those engaged in the similar activity or those which were consuming the products of this undertaking. None of the companies contacted showed any positive interest in taking over M/s. Containers and Closures.

The policy guidelines on sick industries also lay down the criteria to be followed for nationalisation of an undertaking. An important

criteria is that the unit can be revived in a reasonable period of time. On the basis report submitted by M/s. Balmer Lawrie & Co. Limited and taking into account the track record of the operations of the undertaking during the last ten years, it was felt that there were hardly any prospects of the unit becoming viable.”

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*Observations/Recommendations of the Committee*

4.6 The Committee note the position stated by the Ministry of Industry (Department of Industrial Development) that the management of the Industrial Undertaking-Containers and Closures Limited, Calcutta, was taken over by Government in 1972 under Section 18A of the Industries (Development and Regulation) Act, 1951. The Containers and Closures Limited incurred cash losses in each of post-takeover years except for the year 1974. The accumulated losses till December, 1982 added upto Rs. 577.5 lakhs as compared to the share capital of Rs. 25.5 lakhs giving negative net worth of 552 lakhs.

The Ministry have further stated that according to policy guidelines on sick industries announced by the Government in October, 1981, future of the industrial undertakings being managed under the provisions of the Industries (Development and Regulation) Act, 1951 was to be decided immediately. An important criterion for nationalisation was that the unit could be revived in a reasonable period of time. Taking into account the track record of the operations of the undertaking during the last ten years, it was felt that there was hardly any prospects of the Unit becoming viable.

After examination of various alternatives such as sale, merger or nationalisation, the Government had discontinued the management of the undertaking. The creditors were also allowed to file winding up petitions in the Calcutta High Court in order to protect their interest.

4.7 In view of the position explained by the Ministry, the Committee feel that no intervention is required in the matter on their part. The Committee, however, recommend to the Government that on humanitarian grounds special efforts should be made for providing suitable alternative employment to the workers who had been rendered unemployed as a result of the closures of the undertaking.

**REPRESENTATION REGARDING WITHDRAWAL OF DENOTIFI-  
CATION ORDER AND LIQUIDATION PROCEEDINGS OF  
M/S. INDIAN RUBBER MANUFACTURERS LIMITED,  
CALCUTTA AND RESUMPTION OF PRODUCTION  
ACTIVITIES**

5.1 Shri Ajit Bag, M.P. forwarded a representation signed by Sarva-shri Nema Samanta, Harihar Bhowmick and other workers of Indian Rubber Manufacturers Limited, Calcutta, regarding withdrawal of denotification order and liquidation proceedings of M/s. Indian Rubber Manufacturers Limited, Calcutta and resumption of production activities.

*A. Petitioners' Grievances and Prayer*

5.2 In their representation, the petitioners stated as follows :—

“We the employees of M/s. Indian Rubber Manufacturers Ltd. having its registered Office at 9, 11 & 12, Esplanade Mansions, Calcutta-69, beg to draw your kind attention to the situation arising out of the decision of the Union Government denotifying it and subsequent liquidation proceedings in the Hon'ble High Court of Calcutta at the instance of the United Commercial Bank, Main Branch Calcutta since the Company owes to the said Bank an amount to the tune of Rs. 1.22 crores. As a result of the step taken by the Union Government six hundred employees of the Company now stand face to face with starvation and death.

In this connection we would like to state the following facts :

- (1) The Unit employs approximately 600 workmen including about 50 heads in the Calcutta City Office at 9, 11 & 12, Esplanade Mansions, Calcutta-69. Most of the employees have put to their credit service period varying from 20 to 25 years.
- (2) The Unit came under the control of Government of India -as far back as 1972 and inspite of several surveys and studies

admitting viability of the unit no meaningful attempt was made to bring up the unit to a profit earning one. It is worthwhile to mention that the workmen and the unions have time and again pointed out these but with no result.

(3) This Unit is equipped with machine and devices for manufacture of all Industrial rubber including intricate railways fittings. This is the unit which had worldwide fame as the maker of 'Matchless' Tennis Balls.

(4) With proper planning, this unit can even now come up as a top ranking Rubber Manufacturing Unit."

5.3 The petitioner prayed as follows :—

"(a) The Union Government be kind enough to withdraw the order of denotification and proceeding for liquidation be dropped.

(b) Immediate steps be taken for early resumption of the production activities in consultation with the Unions and workmen who are prepared to extend all co-operation in the matter."

**B. Comments of the Ministry of Industry  
(Department of Industrial Development)**

5.4 The representation was referred to the Ministry of Industry (Department of Industrial Development) for furnishing their factual comments thereon for consideration by the Committee on Petitions. In their factual note dated 12 March, 1984, the Ministry of Industry (Department of Industrial Development) have stated as follows :—

"The Management of the industrial undertaking of M/s. Indian Rubber Manufacturers Limited, Calcutta, was taken over under Section 18A of the Industries (Development and Regulation) Act on 18.9.72. The extended period of takeover of management expired on 31st October, 1983. The undertaking was initially managed by a Board of Management; in September, 1977, IRCI was appointed as the Authorised Person.

(2) The undertaking was manufacturing various rubber products. Performance of the undertaking during the entire post-takeover period was unsatisfactory. The production was generally far

below the installed capacity and the productivity was low. The main reasons for poor performance were unremunerative product mix, over dependence on railway items specially VB Hoses, power cuts, poor conditions of plant and machinery, weak marketing organisation, inadequate management and shortage of working capital.

- (3) The undertaking incurred cash losses in each of the post-takeover years and losses increased from year to year. The accumulated losses till 30.9.1982 were Rs. 560 lakhs as against the equity capital of Rs. 27 lakhs, giving negative net worth of Rs. 533 lakhs. The undertaking was also saddled with heavy statutory liabilities which added upto Rs. 82 lakhs as on 30.9.1982.
- (4) Revival schemes were prepared from time to time by the undertaking and by the IRCI directly and through specialised agencies. Some of the schemes were partially implemented. The schemes however did not have any impact on the operations of the undertaking. The last revival scheme was prepared by the undertaking in April, 1982 and was reviewed by a Technical Advisory Committee constituted by IRCI. IRCI however came to the conclusion that the modified scheme did not establish commercial viability of the undertaking.
- (5) According to the Policy Guidelines on sick industries announced by the Government in October, 1981, future of the industrial undertakings being managed under the provisions of the Industries (Development and Regulation) Act was to be decided immediately. The guidelines lay down various alternatives to be examined. These include nationalisation, restructuring, sale and merger. If none of the alternatives were feasible the undertaking should be denotified. Attempts were accordingly made to find out if any company would be interested in takeover of this unit either by sale or by merger. No party was found interested in the proposals. Restructuring was not considered feasible. Nationalisation of the undertaking was considered but the criteria as laid down in the Policy Guidelines were not satisfied. The track record of the undertaking for the last 10 years indicated that there were hardly any prospects of the undertaking becoming viable.
- (6) In view of the above circumstances, there was no alternative but to discontinue the management of the industrial undertaking under

the provisions of the IDR Act when the extended period of take over of management expired on 31st October, 1983. The undertaking is no longer managed by IRCI under the provisions of the IDR Act after 31.10.1983. The creditors filed winding up petitions in the Calcutta High Court in order to protect their interests. The High Court accordingly appointed the official liquidator as provisional liquidator to takeover the undertaking.”

*Observations/Recommendations of the Committee.*

**5.5** The Committee note the position stated by the Ministry of Industry (Department of Industrial Development) that the industrial undertaking—M/s. Indian Rubber Manufactures Limited, Calcutta being managed by Government under provisions of the Industries (Development and Regulations) Act, 1951, incurred cash losses in each of the post-takeover years and losses increased from year to year. The accumulated losses till September, 1982 were Rs. 560 lakhs as against the equity capital of Rs. 27 lakhs giving negative net worth of Rs. 533 lakhs.

Further according to policy guidelines on sick industries announced by the Government in October, 1981, future of the industrial undertakings being managed under the provisions of the Industries (Development and Regulation) Act, 1951 was to be decided immediately. The guidelines also laid down various alternatives to be examined. These included nationalisation, restructuring, sale and merger. After examination of all the alternatives, the Government discontinued the management of the industrial undertaking. The creditors have already filed winding up petitions in the Calcutta High Court in order to protect their interest.

**5.6** In view of the position explained by the Ministry, the Committee feel that no intervention is required in the matter on their part. The Committee, however, recommend that on humanitarian grounds special efforts should be made by Government for providing suitable alternative employment to the workers who have been rendered unemployed as a result of the closure of the undertaking.

**ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS  
OF THE COMMITTEE ON PETITIONS CONTAINED IN THEIR THIRTY-  
THIRD REPORT (5LS) ON THE REPRESENTATION REGARDING  
ALLEGED MISAPPROPRIATION OF GOVERNMENT GRANTS  
AND MISUSE OF LAND ALLOTTED TO THE ALL INDIA  
BLIND RELIEF SOCIETY, LAJPAT NAGAR, NEW DELHI**

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6.1 In their Thirty-third Report (Fifth Lok Sabha), presented to Lok Sabha on the 1st September, 1979, the Committee after considering a representation from Shri D.R. Nim, Secretary, Anti-Corruption Committee, Lok Kalyan Sabha, Lajpat Nagar, New Delhi, regarding alleged mis-appropriation Government grants and misuse of land allotted by Government to the All India Blind Relief Society, Lajpat Nagar, New Delhi, along with the factual comments of the Ministry of Works and Housing/Health and Family Welfare had made certain recommendations.

6.2 Dr. Kumar Pal, Director, Dr. Bhagwan Das Memorial Trust and All India Blind Relief Society, Delhi, subsequently made representations dated the 11th September and 4th October, 1976 and 6 January, 1978 against the observations and recommendations of the Committee contained in their Thirty-third Report (5LS) and prayed as follows :—

- (i) The Thirty-third Report of the Committee on Petitions might be reviewed and revised in the light of the comments and observations given by him.
- (ii) The implementation of the recommendations of the Committee may be stayed.
- (iii) A clearance certificate may be issued to them at an early date.
- (iv) The instructions sent out to the Ministry of Health and Delhi Administration for not giving any grant further may kindly be reversed and they may be advised to release their held up or cancelled grants.

- (v) Necessary instructions may be sent to the Ministry of Works and Housing for notifying in writing specific misuses and breaches as per law to enable them to remedy the same.

6.3 In his evidence before the Committee on Petitions on 30 November, 1976, Dr. Kumar Pal, Director, All India Blind Relief Society, Lajpat Nagar, New Delhi, made the following submissions :—

- (i) Out of the grant of Rs. 25,000/- sanctioned during 1955-56 by the Ministry of Health, the Society had spent about Rs. 5,000/- out of 25,000/- for the hospital office equipment. The grant was for hospital equipment only and the audit did not approve of this. That was a technical objection only. Then the Society requested the Ministry of Health to grant to it permission to purchase more hospital equipments for that amount. This was done and the Society submitted audited accounts and utilisation certificate for that.
- (ii) A special audit of the Society's accounts upto 1967-68 was conducted by the Delhi Administration and no misappropriation or embezzlement had been mentioned in the Audit Report. The Examiner of Local Fund Accounts, Delhi Administration, in his audit report had made only technical objections regarding provident fund and drawing of his total salary from two sources i.e. from the All India Blind Relief Society and Dr. Bhagwan Das Memorial Trust. But as suggested by the Examiner of Local Fund Accounts, Delhi Administration, he thereafter started drawing his total salary from Dr. Bhagwan Das Memorial Trust only from 1970 onwards.
- (iii) The Ministry of Rehabilitation allotted a plot of 1.56 acres of land to the Society in 1953-54. Subsequently, the All India Blind Relief Society get itself affiliated with Dr. Bhagwan Das Memorial Trust in 1959-60 as the objectives of both the organisations were the same and 80% of the members of the management of both these institutions were common. A resolution was passed by the Society whereby all assets and liabilities of the All India Blind Relief Society would be taken over by Dr. Bhagwan Das Memorial Trust. When the Society requested the Land and Development Office to transfer the land in the name of Dr. Bhagwan Das Memorial Trust, the Society was asked by Government first to surrender the land to Government and thereafter that land would



be transferred in the name of Dr. Bhagwan Das Memorial Trust. He accordingly executed a surrender deed in favour of Government. The surrender deed which was executed by him on behalf of the Society was illegal and unauthorised as no resolution was passed by the All India Blind Relief Society to surrender the land to Government. A case filed by the Chairman, All India Blind Relief Society against the execution of the surrender deed by him in favour of the Government was pending in a court of law.

- (iv) No notice of any misuse had ever been given to them in writing and no specific breach of terms of the lease had been pointed out by the Land and development Office. But as per terms of the lease deed, the misuse of land could be regularised on payment of 10% to 20% of the rent to the Government. The Society had filed cases against all non-staff tenants and others for eviction, which was another remedial measure for regularisation of the misuse of land etc.
- (v) In All India Blind Relief Society, and Dr. Bhagwan Das Memorial Trust, there was no case of embezzlement or misappropriation. There were only small accounting irregularities on the technical grounds which were generally prevalent in all departments and societies. It was not proper to base observations of misappropriation or embezzlement or corruption against these institutions on the basis of technical accounting irregularities. These observations could be regarded as a slur against the members of the Governing Board who were men of eminence.

6.4 The recommendations made by the Committee in their Thirty-third Report (5LS) and the action taken replies furnished by the Ministries of Health and Family Welfare (Department of Health) and Works and Housing dated the 13th May, 1977 and 18th January, 1983 respectively, are given below seriatim :—

#### **Observations/Recommendations in Paras 2.6 and 2.7**

“The Committee are of the view that the affairs of the All India Blind Relief Society have been grossly mis-managed by its Office bearers and the grants given by the Union Ministry of Health and the Delhi Administration appear to have been misused by them.

The Committee desire that the affairs of the All India Blind Relief Society, Lajpat Nagar, may again be enquired into thoroughly by

the Government of India through its anti-corruption agency and that the Committee may be informed of the outcome of this enquiry at the earliest”.

### Reply of Government

#### Ministry of Health and Family Welfare (Department of Health)

- (i) “The Comptroller and Auditor General was requested to conduct a special audit by the A.G.C.R. of the accounts of the All India Blind Relief Society for the years in which grants were given to them by the Ministry, Delhi Administration etc.

The has, however, stated that if does that appeal necessary for the A.G.C.R. to take up the special audit.

The Delhi Administration have now informed that the Anti-Corruption Branch, Delhi Administration, has also no jurisdiction over the irregularities committed by private citizens. They have further stated that the I.G. of Police has already shown his inability to take any action as no cognizable offence has been made out in the matter as revealed from the report of S.P. (South).”

- (ii) Ministry of Health and Family Welfare (Department of Health) subsequent communication dated the 26th September, 1980.

“A copy of the Audit/Inspection Report of the Examiner Local Fund Accounts, Delhi Administration on the accounts of the All India Blind Relief Society, New Delhi is sent herewith (*See Appendix VIII*).

A grant of Rs. 25,000 was sanctioned to the All India Blind Relief Society, New Delhi, towards the purchase of hospital equipment *vide* this Ministry’s letter No. F. 1-2/55-HI, dated 20.5.55. Later on, a portion of this grant was allowed to be utilised for construction work such as electric and sanitary fittings.

All utilisation documents duly countersigned by a Chartered Accountant were received and found in order. Accordingly, utilisation certificates in respect of all the grants have been issued to audit. The Examiner Local Fund Accounts. Delhi Administration could not detect any possibility of misappropriation embezzlement during the years under review.”

**Recommendation in para 2.8**

“The Committee also desire that the cash balances and other assets belonging to the All India Blind Relief Society should be sealed by Government and the plot of land allotted to that Society should not be transferred to the Dr. Phagwan Das Memorial Trust.”

**Reply of Government**

**Ministry of Health and Family Welfare  
(Department of Health)**

“The Delhi Administration had originally intimated that the Superintendent of Police (Anti-corruption Branch) had been instructed to seal the cash and assets of the Society as directed by the Committee and that a report in this regard will follow on completion of investigations. However, in their latest communication, the Delhi Administration have informed that the Inspector General of Police, Delhi, has shown his inability to take any action in the matter, as already pointed out in above para.”

**Ministry of Works and Housing Note dated 18 January, 1983**

“The Committee on Petitions (Fifth Lok Sabha) recommended that the land allotted to the All India Blind Relief Society should not be transferred to the Dr. Bhagwan Das Memorial Trust. In pursuance of the recommendation of the Committee and consequent on the judgement of the Court to the effect that the surrender deed executed by the Society and the Land and Development Officer having been made without consideration is void *ab initio*, it has been decided not to transfer the property to the Trust. Incidentally, in the Court case filed by the All India Blind Relief Society, Judgement was passed restraining the Government from interfering with possession or enjoyment of the property by the All India Blind Relief Society. Accordingly, before the Land and Development Officer could intimate the quantum of misuse charges that has to be paid by the lessee, the inspection of the property was necessary for ascertaining the extent of misuses in the land. This could be done only on the 20th and 22nd February, 1982. The misuse charges are being communicated separately to the lessee. In case the lessee does not comply with the instructions for payment of the recovery charges by a stipu-

lated date, action will be taken in accordance with the normal rules/instructions on the subject.

In view of what has been stated in the preceding paragraphs,...kindly close the matter now so far as the recommendation of the Committee on Petitions is concerned.”

**Recommendation in para 2.9**

“The Committee recommend that no grants should be given by Government to this All India Blind Relief Society or to the Dr. Bhagwan Das Memorial Trust till their affairs are free from all irregularities and doubts.”

**Reply of Government**

**Ministry of Health and Family Welfare (Department of Health)**

“The directive of the Committee has been brought to the notice of all Ministries/Departments of Government of India and also Delhi Administration.”

**Recommendation in para 2.10**

“The Committee are of the view that persons who have been found to misuse funds or grants etc. given by Government for a specific purpose or whose integrity is doubtful should not be given any Government grants for any purpose whatsoever.”

**Reply of Government**

**Ministry of Health and Family Welfare (Department of Health)**

“The directive of the Committee has been brought to the notice of all Ministries/Departments of the Government of India and also Delhi Administration.”

**Observation of the Committee**

**6.5 The Committee note the position stated by the Ministries of Health and Family Welfare and Works and Housing in their action taken replies on the recommendations of the Committee contained in their Thirty-third Report (5LS) in the matter.**

## VII

### ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS CONTAINED IN THEIR TENTH REPORT (6 LS) ON PETITION NO. 21 REGARDING REHABILITATION OF THE BHAKRA DAM OUSTEES

7.1 In their Tenth Report (Sixth Lok Sabha), presented to Lok Sabha on 9 May, 1979, the Committee on Petitions considered Petition No. 21 regarding rehabilitation of the Bhakra Dam oustees and made the following recommendations :—

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

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

[Paras 6.5 and 6.6, Page 34) Tenth Report 6LS]

7.2 The Above recommendations were taken up with the Ministry of Energy (Department of Power) for implementation. In their communication dated 29 May, 1980, the Ministry of Energy (Department of Power) stated as follows :—

“According to the latest information received from the Government of Haryana, 622 oustees have been given proprietary rights upto end

of April, 1980 while the cases of about 100 allottees for the confirmation of proprietary rights are in process and are likely to be given shortly. As regards the remaining oustees, necessary directions have been issued to them by the Deputy Commissioner (Resettlement), Hissar to make payment of the outstanding dues and proprietary rights will be given to them as and when they clear their arrears. As already mentioned.....the question of waiving off of recoveries of enhanced amounts from some of the allottees, involving about 1284 cases including those whose holdings are up to 5 acres, is under the consideration of the Bhakra Beas Management Board.

2. As regards the recommendation of the Committee on Petition on the question of giving other economic facilities to the displaced persons like bank loans etc. in order to enable them to rehabilitate themselves properly and make their lands viable units, it may be mentioned that all the allottees were resettled in accordance with the recommendations, policies and schemes formulated by the Bhakra Rehabilitation Committee which was constituted by the Bhakra Central Board particularly for the purpose of resettlement of Bhakra oustees, which included the representatives of the oustees also. Any revision of the previous policies is therefore not feasible at this belated stage when the Bhakra Rehabilitation Committee does not exist. Additional land is also not available for allotment to the oustees to make their holdings viable units.
  
3. The Committee on Petitions, *vide* recommendation 6.6 had recommended setting up of a National Fund to be contributed by the beneficiaries of the Dam Projects in the country for the rehabilitation of the displaced persons. In this connection, it may be stated that according to a decision taken at a Conference of the State Ministers of Irrigation held on 17th and 18th July, 1975, a Committee of Ministers had been set up in the Department of Irrigation, to look into the question of laying down national norms for land acquisition and rehabilitation measures for people displaced by major water resources projects. As this Committee is considered to be the proper forum for looking into the question of setting up of a National Fund for the rehabilitation of displaced persons, the said recommendation of the Committee on Petitions is under consideration in the Department of Irrigation for placing before the Commit-

tee of Ministers to be re-constituted after the coming Assembly elections, for their consideration and decision.

4. This issues with the approval of the Minister of Energy.”

7.3 In their communication dated 18 August, 1981, the Ministry of Energy have stated as follows :—

“The Bhakra Beas Management Board has since waived off the recoveries of enhanced compensation amounting of Rs. 2,53,000/- in respect of allottees with holdings up to 5 acres in all villages other than Hijrawan Khurd and Rs. 2,73,083/- in respect of Hijrawan Khurd village, plus interest accrued thereon, in both cases.

As per latest information received from the Deputy Commissioner, Resettlement, Hissar, 1195 allottees have already been conferred proprietary rights up to 30.6.1981 and 38 more are expected to be granted the rights within a month. Thus, the matter relating to grant of proprietary rights is receiving due attention of the concerned authorities.”

7.4 On the advice of Ministry of Energy, the matter in regard to the implementation of the recommendation contained in para 6.6 regarding setting up of national fund to be contributed by the beneficiary states of the Dam Projects and rehabilitation concession in the matter of education, relaxation in age limit for employment etc. was taken up with the Ministry of Irrigation, In their latest communication (received in August, 1983), the Ministry of Irrigation, have stated as follows :—

“the recommendations contained in para 6.6 of the 10th Report (6LS) on the Committee on Petitions regarding grant of rehabilitation concessions in the matter of education, relaxation of age limit etc. were referred to the eight members of the Committee of Ministers for laying down national norms for Land Acquisition and Rehabilitation measures for their comments. Comments of the Minister of Irrigation and Law, Government of Bihar and Minister for Irrigation, Karnataka have since been received, other members of the Committee have again been reminded to send their comments on 25.7.1983.

As soon as the comments from the other members are received, the views of the Committee of Ministers on Land Acquisition and Rehabilitation will be sent to the Lok Sabha Secretariat.”

*Observations of the Committee*

7.5 The Committee note the position stated by the Ministry of Energy in their action taken reply that the action on their recommendations for grant of proprietary rights to the Bhakra Dam displaced persons and for giving other economic facilities like bank loans etc. to rehabilitate them properly had been taken by the Government.

7.6 In regard to other recommendations for the setting up a National Fund for the Bhakra Dam oustees and for giving them rehabilitation concessions, the Committee have noted from the reply furnished by the Ministry of Irrigation that both of these recommendations are under consideration of the Committee of Ministers set up by the Government to look into the question of laying down national norms for land acquisition and rehabilitation measures for people displaced by major water resources projects.

In view of the above position, the Committee trust that early action will be taken by Government to finalise their decisions and that the Committee will be informed of these decisions in due course.



## VIII

### ACTION TAKEN BY GOVERNMENT ON THE OBSERVATION OF THE COMMITTEE ON PETITIONS CONTAINED IN THEIR FIRST REPORT (SEVENTH LOK SABHA) ON PETITION NO. 5 REGARDING CONVERSION OF LATUR-MIRAJ NARROW-GAUGE RAILWAY LINE INTO A BROAD-GAUGE LINE.

8.1 In their First Report (Seventh Lok Sabha), presented to Lok Sabha on 19 December, 1980, the Committee on Petitions considered Petition No. 5 regarding conversion of Latur-Miraj narrow-gauge railway line into a broad-gauge line and made the following observations :

“3.5. The Committee note from the factual comments furnished by the Ministry of Railways (Railway Board) that according to the Engineering-cum-Traffic Survey which was completed in 1975 in connection with the demand for Broad-gauging of the Latur-Miraj narrow-gauge Railway line, whereas, the cost of the Project involving conversion of 326 Kilometers and new construction of 32 Kilometers line had been estimated to be of the order of Rs. 43 crores, the traffic prospects were low as the areas through which the line passes were reported to have not much potential for either development of major industries or for any significant increase in agricultural produce and any large scope for development of small scale industries.

3.6 The Committee also note that the Report of the high level Committee know as the National Transport Policy Committee appointed by the Planning Commission for evolving a rational policy for the construction of new railway lines, including lines in backward areas of the country, is under examination by the by the Commission and the Ministry of Railways have indicated that they would take further action regarding formulation of the Policy for construction of new railway lines in the light of the accepted recommendations, when available.

The Committee hope that Government would give due consideration to the petitioners' demand regarding conversion of Latur-Miraj narrow-gauge railway line into a broad-gauge line while formulating policy for construction of New railway lines in the

light of the accepted recommendations of National Transport Policy Committee.”

[Paras 3.5 and 3.6, page 9, First Report (7LS)]

8.2 A Copy of the First Report was sent to the Ministry of Railways (Railway Board) on 23 December, 1980 drawing their attention to the observations of the Committee in the matter.

8.3 Subsequently Prof. Madhu Dandavate, M.P., addressed a letter dated 28 June, 1983 forwarding therewith a petition signed by Shri Panna!al Surana and others on the same subject demanding conversion of Latur-Miraj narrow-gauge railway line into a broad-gauge line.

8.4 The matter was again taken up with the Ministry of Railways (Railway Board) and they were requested to intimate the latest position in the matter.

8.5 The Ministry of Railways (Railway Board) *vide* their communication dated 20 September, 1983 have repeated their earlier position as may be seen from their factual comments as Appendix IX.

8.6 In regard to the observation of the Committee made in para 3.6 of the First Report for giving due consideration to the Petitioners' demand the Ministry of Railways have stated that the report of the National Transport Policy Committee has been accepted by the Government, with the exception of a few recommendations. This will from the policy framework for future planning in transport sector. The extent to which recommendations can be given effect to will depend on the availability of resources. Individual new line and gauge conversion projects will, among other things, depend on their traffic potential, extract of relevant para 9.25.2 is reproduced below :

“9.25.2 These sections were useful in areas not served by proper roads, particularly in the hill sections. With road network development and efficient road transport, there appears to be no longer any justification for such lines. The average cost of handling a tonne Km. is about 40 paise on narrow gauge, which is much higher than road transport costs. Passenger cost are also high. Except for retaining the Central India narrow gauge system and some hill sections for their engineering skill

and for limited tourist traffic, it would be better as a policy measure to close down all narrow gauge sections. However, a system approach could be adopted where their conversion to either metre or broad gauge may form a part of a network and is justified on traffic potential.”

*Observation of the Committee*

8.7 The Committee note the position stated by the Ministry of Railways (Railway Board) in their action taken reply that the report of the National Transport Policy Committee has been accepted by the Government, with the exception of a few recommendations which would form the policy framework for future planning in transport sector. The extent to which recommendations can be given effect to would depend on the availability of resources. Individual new line and gauge conversion projects will, among other things, depend on their traffic potential.

8.8 The Committee also note that according to the Report of the National Transport Policy Committee, except for retaining the Central India narrow gauge system and some hill sections for their engineering skill and for limited tourist traffic, it would be better as a policy measure to close down all narrow-gauge sections. However, a system approach could be adopted where their conversion to either metre or broad gauge might form part of a network and is justified on traffic potential.

8.9 The Committee, while noting the above position, however, feel that in case the Railways do not find it feasible to convert the narrow-gauge into metre/broad gauge on Latur-Miraj section, they should not close down that section altogether.

**ACTION TAKEN BY GOVERNMENT ON THE RECOMMEN-  
DATION OF THE COMMITTEE ON PETITIONS CONTAINED IN  
THEIR THIRD REPORT (SEVENTH LOK SABHA) ON THE  
REPRESENTATION FROM SHRIMATI SANTOSH KUMARI  
REGARDING NON-PAYMENT OF CERTAIN DUES BY  
THE MANAGEMENT OF ARYA PUTRI PATHSHALA  
PRATHMIK VIDYALAYA, GANDHI NAGAR, DELHI.**

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9.1. In their Third Report (Seventh Lok Sabha), presented to Lok Sabha on 2 April, 1981, the Committee, after considering a representation from Shrimati Santosh Kumari regarding non-payment of certain dues by the management of Arya Putri Pathshala Prathmik Vidyalaya, Gandhi Nagar, Delhi and the factual comments furnished by the Ministry of Education and Culture (Department of Education), made the following observation/recommendation :—

“In case of item No. 7 on the representation from Shrimati Santosh Kumari regarding non-payment of salary by the management of Arya Putri Pathshala Prathmik Vidyalaya, Gandhi Nagar, Delhi, the Committee note the position stated by the Ministry of Education and Culture (Department of Education). However, the Committee feel that as Shrimati Santosh Kumari had worked in the school, she should be paid her salary by the management of Arya Putri Pathshala Prathmik Vidyalaya, Gandhi Nagar, Delhi. The Committee, therefore, desire the Ministry of Education and Culture (Department of Education) to direct Delhi Municipal Corporation authorities to impress upon the school management for making payment of salary to the petitioner.”

[Para 16.3 (Item No. 7), Third Report (7LS)]

9.2 The Ministry of Education and Culture (Department of Education), with whom the matter was taken up for implementation, in

their O.M. dated 30 September, 1982 stated as follows :—

“.....The matter was taken up with the Municipal Corporation of Delhi. Municipal Corporation of Delhi have informed that Shrimati Santosh Kumari joined the school only to gain experience and only conveyance expenses of Rs. 60/- were promised by the management. Therefore, the management is of the opinion that no arrears are due to Shrimati Santosh Kumari.”

9.3 The Committee, at their sitting held on 11 July, 1983 perused the above reply of the Government. The Committee directed that the Ministry of Education and Culture (Department of Education) might be asked to furnish information on the following points for their consideration :—

- (i) Length of service (with dates) rendered by the petitioner :
- (ii) The date from which the school was recognised for the purposes of grant-in-aid by Municipal Corporation of Delhi and the date on which orders were issued to that effect ; and
- (iii) Whether Shrimati Santosh Kumari was on the strength of the school when the school was accorded recognition by the Delhi Municipal Corporation.

9.4 The Ministry of Education and Culture (Department of Education) with whom the matter was taken up further have, in their O.M. dated 17 September, 1983, stated as follow :—

- (i) As per the application of Shrimati Santosh Kumari and the experience certificate issued by the Headmistress of the school, Shrimati Santosh Kumari was working as Assistant Teacher in Arya Putri Pathshala from 1.1.1970 to 24.12.1970.
- (ii) The School was brought on the grant-in-aid list w.e.f. 7.7.1970 vide M.C.D.'s order dated 13.5.1971.
- (iii) The school was recognised w.e.f. 1.5.1970. Shrimati Santosh Kumari was working in the said school at that time but her name was never submitted by the Management for approval of her appointment to the M.C.D. According to the Management, the appointment of Shrimati Santosh Kumari was only to gain experience.

**Observation of the Committee**

9.5 The Committee note the position stated by the Ministry of Education and Culture (Department of Education) that as per the agreement between the petitioner and the management, Shrimati Santosh Kumari was appointed on her request, for the purpose of gaining experience and on the condition that she would be paid a sum of Rs. 60/- only p.m. as conveyance allowance. The Committee further note that her name was also not submitted by the Management for approval of her appointment to the Municipal Corporation of Delhi.

In view of the position explained by the Ministry of Education and Culture (Department of Education), the Committee feel that no further intervention is required for on their part and that the matter be closed.

OTHER REPRESENTATIONS

10.1 During the period under report, the Committee have considered five other representations and letters (See Appendix X) addressed to the House, the Speaker or the Committee by different individuals which were inadmissible as petitions,

10.2 The Committee note with satisfaction that through their intervention, petitionars have either been provided partial or complete relief or the Ministries/Departments concerned have adequately explained the position factual, legal or otherwise in respect of those representations.

NEW DELHI;  
7th May, 1984

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*Vaisakha 17, 1906 (Saka)*

K.P. TEWARI,  
Chairman,  
Committee on Petition.

## **APPENDIX—I**

(See para 2.2 of the Report

[Petition No. 17 regarding incentives and facilities to scientific and electronic instruments exporters in Ambala Cantt.

**LOK SABHA**

**PETITION NO. 17**

[Presented to Lok Sabha on 18.12.1981]

**TO**

**LOK SABHA  
NEW DELHI**

The humble petition of the elected representatives of Exporters Association, Ambala Cantt., Scientific Manufacturers and Dealers Association, Ambala, Haryana Electronic Industries Association, Ambala Cantt.

**SHEWELH**

1. Ambala Cantt. is rightly called the House of Scientific Instruments in India and abroad. There are about 400 medium and small scale units working in this town which not only feed the requirements of scientific/electronic, medical, agriculture instruments of our country but also meet with export orders to the tune of Rs. three crores a year. The Haryana and the Central Governments due to location of large number of industries have also opened a Quality Marking Centre and Tool Room of S.S.I. at this place to help the exporters to arrange quality control of their production. In addition, Government Prototype Testing and Development U.N.D.P. Project, Department of Science and Technology, Government of India is also under construction at Ambala.



2. The recent figures on world exports, released in the global market, present an interesting panorama of the global export activities. The total world exports in 1980 stood at \$ 1330.1 billions of which U.S.A. accounted for \$ 220.7 billions. In other words, the USA accounted for 12% of world exports. The second position has been captured by West Germany with 10.5% of global exports. The third ranking goes to Japan which has contributed 7.1% in the world trade. India being the third largest scientific and technical manpower in the world could not capture even 0.5% of total trade share. This is certainly a very dismal performance and deserves immediate concern of the Minister of Commerce and Planning Commission India is now passing through a very critical stage when the balance of trade has been completely upset due to un-precedented rise in price of oil and other petroleum products. Thanks to the wisdom and foresight of our Finance Minister, the present annual rate of inflation has been brought down from 16% to 7%. However, the coming times are not less challenging to the Indian Economy and we have to meet with this challenge both on the internal and external fronts. On the internal front, we have to maximise the production within the shortest possible time while on the external front we must popularise the slogan "Export for Prosperity". The situation on the external front has become serious after the commitment of USA for supply of sophisticated armaments to Pakistan as India will necessarily have to go shopping in the world market for armaments to keep proper balance of power which will further affect balance of trade. We are, therefore, of the opinion that in the export field all-out efforts must be made by the Ministry of Commerce to identify new markets. At the same time, maximum possible encouragement should be given to the present exporters and all red tapism removed. Their grievances which hamper their enthusiasm for export should be immediately removed. With this end in view, we give below some of the suggestions for implementation :—

(i) *Creation of Dry Port at New Delhi :*

Ambala Cantt. has the distinction of having done maximum exports of scientific instruments in India and even whatever is exported by other stations is also purchased from Ambala Cantt. The nearest Port to this Station is no less than 1500 kilometers away, and for this reason there are shipping delays and consequently some of the export orders could not

be complied with within time. It is of vital necessity that a dry port is established at Delhi to cater to the needs of Northern India.

However, in case space cannot be found around Delhi for this purpose, we suggest that a Dry Port should be established at Ambala Cantt., which is a very central place and can feed to the requirements of U.P., Delh., Haryana, J & K and Himachal Pradesh.

(ii) *Transport facilities :*

Till the Dry Port is established, it is requested that the Railway Department should allow transportation of export goods through fast passenger trains to Port Stations for which freight should be charged as per freight chargeable for goods trains.

(iii) *Incentives :*

At present cash incentives and Draw Back allowed on scientific/medical/agriculture instruments is quite low as compared to other items of export. Besides there is a tough competition from USA, UK, Taiwan, Germany, Japan and other countries in the field of scientific instruments. It is suggested that cash incentives as well as Draw Back should be increased to 20% and 15% respectively. Fifteen per cent of FOB value of goods exported should be allowed towards O.G.L. Licence for import of materials to be used as components/raw material/assemblies/jigs and fixture/testing for the improvements, modernisation and development of existing and new items.

(iv) *Concessional Air Tickets :*

On occasions big tenders are floated by foreign countries and personal canvassing is necessary to win such tenders. We are pleased to inform you that one of our members M/s. Jambu Pershad & Sons, Ambala Cantt. were able to secure an Order worth 3-1/2 crores of rupees from the Government of Sudan for supply of Scientific/Laboratory Equipment for Primary Elementary Classes by personal canvassing with Government of Sudan. The then Indian Ambassador in Sudan Shri Mubarak Ali Shah, also played an important role in the award of this contract. Whatever was being offered at Rs 200/- by Western manufacturers was offered by India at Rs. 20/- for the same item, Government of Sudan felt convinced that the Indian material was quite comparable

to Western products. They were, therefore, pleased to order that the tender be awarded to M/S Jambu Pershad & Sons, Ambala Cantt., thereby saving a lot of money for their country. This was only possible through personal discussion. It is necessary that the Exporters are encouraged to pay personal visits to foreign countries to canvass and win tenders. For this purpose, it is suggested that the Registered Exporters on the recommendation of the Local Exporters Organisations should be allowed 50% concession in air fare, both ways, for *bona fide* export promotion work. Those who avail this concession should be required to submit a detailed report to the Export Organisation as well as to the Ministry of Commerce about the result of their efforts along with the suggestions for remedial action for future guidance of the Government and our Embassy in that country. The Exporters can also, if necessary, submit confidential reports about under and methods adopted in particular countries in the award of tenders which may come to their notice. Such Reports can be processed by our Commercial Attachees and action taken, where necessary. These Reports can also form a nucleus in the Ministry of Commerce for framing their future strategy of action.

It may be stated that the World Bank and other International Agencies are now sanctioning huge sums to under-developed countries for projects in education, medical, agriculture, dairing and family planning. These countries will require laboratory equipment for such projects. This is the proper time that Indian exporters are accosted to capture these markets which are normally under the influence of Western countries, specially South East Asia, Middle East and African countries which require greater attention where bulk of investment is proposed.

(v) *Raw Material :*

Our main requirement for the manufacture of scientific/medical and agriculture equipment are :—

- (i) Brass in got sheets and pipes
- (ii) Copper in got sheets and pipes
- (iii) Zinc and aluminium
- (iv) Copper Wires and aluminium
- (v) Mercury

- (vi) Glassware
- (vii) Stainless steel and other steel material
- (viii) Varnish and paints

Most of the above material is indigenously produced

It has been observed that the foreign tenders take a long time to mature and by the time the final stage is reached the prices of raw material are substantially up. Indian Exporters especially in the medium and small sector are unable to cope with such a situation. It is suggested that the Export Corporation of India may be instructed to stock the above items for the benefit of exporters of our area.

(vi) *Bank Interest :*

It has been found that the banks charge very heavy rate of interests on advances to exporters and also there is no incentive given to small/medium scale Industries for export production. The Banks make profits out of the differences in sale and purchase rate for foreign currency. Besides, they charge commission for negotiation of documents. Therefore, the Banks should be able to contribute their share to encourage exports by giving advances/loans to Exporters on concessional rate of interest. In countries like Korea, Taiwan and Japan the Banks charge only 7% interest on advances to be used for export goods. It is suggested that similar arrangements should be allowed in our country.

(vii) *Placing Ambala on Air Map of India :*

Most of the Importers who come to India from foreign countries for negotiating business return back either from Bombay or from Delhi and are not inclined to visit Ambala, as the station is not included in the Air Map of India.

Ambala falls on Air Route between Delhi-Amritsar-Srinagar and Delhi-Chandigarh-Srinagar and Air Force aerodrome is already available at the Station. This aerodrome can be jointly used for army and X civil traffic, as is being done at Chandigarh. Ambala Cantt. thus be brought on the Air Map of India without any appreciable expenditure and this will go a long way in removing the grievances of Haryana State as well as of the Exporters of Haryana on this score.

*(viii) Opening of Export-Import Bank :*

The Export-Import Bank of India Act, 1981 (No. 28 of 1981) received assent of the President on the 11th September, 1981. This is an Export-Import Bank of India for providing financial assistance to Importers and Exporters and for functioning the working of Institutions engaged in financing export of goods and services with a view to promoting the country's interamntional trade and for matters connected therewith or incidental thereto. It is requested that the eommissioning of this Bank may kindly be axpedited, and a Branbh of the Bank may also be opened at Ambala Cantt.

*(ix) Non-availability of Professional/ Guidance from Bank—bungling due to ignorance of rules :*

It has been observed that professional guidance is not forthcoming from the Banks for documentation of Export Documents. The Officials at the helm of affairs are also not conversant with Foreign Exchange Rules of the R.B.I., JCCI & E Rules as well as fine points on preparation of shipping documents. They are also not conversant with the rules contained in Uniform Customs and Practice of Documentary Credits of International Chamber of Commerce. So much so that in the case of Irrevocable and Confirmed Letter of credit where 100% deposit has been made by the Foreign Bank in advance with Indian Bank and in case of dispute, due to ignorance of rules, instead of referring the matter to the International Court of Law for Arbitration, they adopt the short cut method of recovering money from the Indian Exporters on one pretext or the other to save there skin even though the documents may be correct in all respects. This has caused great harassment to the Exporters and is coming in their way for export promotion. In fact, this crude way of handling things will ruin the Indian Exporters besides causing loss of huge foreign exchange earnings to our country.

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

And your petitioners as in duty bound will ever pray.

Name of Petitioner	Address	Signature or Thumb impression
1. Shri Anil Jain	Exporters Association Pokhar Dass Bldg., Ambala Cantt.	Sd/-
2. Shri N. C. Jain	Vice-President, Scientific Manufacturers & Dealers Association, Hargolal Road, Ambala Cantt.	Sd/-
3. Shri Pritam Singh	President, Haryana Electronic Industries Association, C/O Instruments & Equipment Co., 99-M G. Road, Ambala Cantt.	Sd/-
4. Shri G.C. Jain	Partner, M/S. Jambu Pershad & Sons, P.O. Box. 58, Ambala Cantt.	Sd/-
5. Shri Naveen Jain	M/S. Japson International Pokhardass Bldg., Ambala Cnntt.	Sd/-
6. Smt. Promila Jain	M/S. Union Scientific Traders, 6275/22, Nicholson Road, Ambala Cantt.	Sd/-
7. Smt. Aruna	M/S. Vaiseshika Electron Devices, Post Box. 57. Ambala Cantt.	Sd/-
Counter signature of Suraj Bhan, M.P.		
Member presenting 26-11-1981		

## APPENDIX II

(See para 2.5 of the Report)

[Consolidated comments furnished by to Ministry of Commerce on the points raised in Petition No. 17 regarding Incentives and facilities to scientific/electronic instrument Exporters in Ambala Cantt].

### *Item I Creation of Dry Port at New Delhi :*

Ambala Cantt. has the distinction of having done maximum exports of scientific instruments in India and even whatever is exported by other stations is also purchased from Ambala Cantt. The nearest port to this Station is no less than 1500 KM away and for this reason there are shipping delays and consequently some of the export orders could not be complied within time. It is of vital necessity that a dry port is established at Delhi to cater to the needs of Northern India.

However, in case space cannot be found around Delhi for this purpose, we suggest that the dry port should be established at Ambala Cantt. which is a very central place and can feed the requirements of U.P., Delhi Haryana, J & K and Himachal Pradesh.

### *Comments of the Ministry of Commerce :*

In 1974, the Government had decided in principle to establish a dry port in Northern Region of India. However, in July, 1977 the Government decided not to take up the project for immediate implementation. In view of the representations received, a decision had been taken in principle to set up an Inland Container Depot (ICD) at Tughlakabad which would provide dry port like facilities in respect of export/import goods moving in containers. The Ministry of Railways have conducted a detailed techno-Economic survey and the report is under finalisation. Pending establishment of the IDC,, it has been decided to set up an Inland Container Depot at Pragati Maidan Siding, New Delhi on a pilot project basis, which is expected to be commissioned shortly.

*Item II Transport facilities :*

Till the dry port is established, it is requested that the Railway Department should allow transportation of export goods through fast passenger trains to port stations for which freight should be charged as per freight chargeable for goods trains.

*Comments of the Ministry of Railways(Railway Board) :*

So far as movement of export material is concerned, we have already given priority 'B' for movement of all traffic for export by land frontiers or via ports to foreign countries subject to the condition that documentary evidence is provided by the consignor to Railway authority concerned that the traffic is genuine export traffic. If such export does not get cleared within 5 days of demand having been placed, it will be upgraded and cleared in a movable priority.

It would thus be seen that Railways have already provided adequate transport facilities for expeditious clearance of export traffic.

The introduction of export special trains for movement of export traffic are examined by the Railways and such trains are provided wherever adequate traffic is offered for export. These trains will also run under priority 'B' which is the highest priority except for defence.

As regards the request of the association that export goods should be transported through fast passenger trains but the freights charged should be those for goods train, the same has not been found possible.

*Item III Incentives :*

At present cash incentives and Drawback allowed on scientific/medical/agricultural instruments is quite low as compared to other items of export. Besides there is a tough competition from USA, UK, Taiwan, Germany, Japan, and other countries in the field of scientific instruments.

It is suggested that Cash incentives as well as drawback should be increased to 20% and 15% respectively. 15% of FOB value of goods exported should be allowed towards OGL licence for import of materials to be used as components/raw materials assemblies/jigs and fixtures/testings for the improvements, modernisation and development of existing and new items.



*Comments of the Department of Revenue (Drawback Directorate)*

Cash compensatory Support (CCS) at the rate of 10% was allowed on the export of Scientific instruments with effect from 1-4-1979 for the period of 3 years. This rate has been reviewed recently on the basis of the data received from representative firms through the EPC and allowed to continue at the same rate till 31st March, 1985.

At present scientific equipment and electronic instruments are covered under SS 5302 and 5303 of the Drawback schedule and are entitled for all Industry rates of drawback @ 30% and 10% f. o. b. respectively. If the trade feel that these rates are on lower side they are always open to come up with their justification for the increase in rates in the prescribed manner and submit their data in DEK-I, II, III, statements for further consideration of this Ministry.

With regard to suggestion that 15% of FOB value of goods exported should be allowed towards OGL licence for import of materials to be used as components, raw materials/assemblies/jigs/fixtures/and testing for the improvements, modernisation and development of existing and new items, the Office of the Chief Controller of Imports and Exports has commented as follows :—

This position is not clear. REP licences are issued for the import of raw materials, components and consumables appearing in appendices 2, 4 and 6 of the Import Policy and for import of canalised items used, in the manufacture of the product exported. In addition, packing materials are also allowed against REP licences. Requirements for import of OGL items have to be met by manufacturer-exporters under the normal OGL policy. They do not require an import licence for such imports. Similarly, jigs and fixtures are also allowed to be imported by actual Users under OGL which again does not require an import licence. It may be mentioned that there is no specific import replenishment rate fixed for exporters of scientific instruments in the current import policy for Registered Exporters. The reason is that the items which are required for manufacture of scientific instruments do not appear in the banned list, limited permissible list or canalised list in the import policy. However, in the import policy for 1982-83, a generic entry has been incorporated allowing import replenishment at 5% against the exports of engg. goods which are not separately covered as export products in

Appendix-17 of the policy. The Exporters of such engg. goods can import against their replenishment licences items appearing in Appendices 3, 4 and 6 in the canalised lists excluding electronic items as are acquired for manufacture of the product exported by them. As such this provision meets the demand that there should be replenishment rate fixed for export of scientific instruments.

*Item IV Concessional air tickets :*

On occasions big tenders are floated by foreign countries and personal canvassing is necessary to win such tenders. We are pleased to inform you that one of our members M/s. Jambu Pershad & Sons, Ambala Cantt. were able to secure an order worth 3-1/2 crores of rupees from the Government of Sudan for supply of scientific laboratory equipment for primary elementary Classes by personal canvassing with Government of Sudan. The then Indian Ambassador in Sudan, Shri Mubarak Ali Shah, also played an important role in the award of this contract. Whatever was being offered at Rs. 200/- by Western manufacturers was offered by India at Rs. 20/- for the same item. Government of Sudan felt convinced that the Indian material was quite comparable to Western products. They were, therefore, pleased to order that the tender be awarded to M/s. Jambu Pershad and Sons, Ambala Cantt., thereby saving a lot of money for their country. This was only possible through personal discussion. It is necessary that the Exporters are encouraged to pay personal visits to foreign countries to canvass and win tenders. For this purpose, it is suggested that the Registered Exporters on the recommendation of the Local Exporters Organisations should be allowed 50% concession in air fare both ways, for *bona fide* export promotion work. Those who avail this concession should be required to submit a detailed report to their Export Organisation as well as to the Ministry of Commerce about the result of their efforts along with suggestions for remedial action for future guidance of the Government and our Embassy in that country. The Exporters can also, if necessary, submit confidential reports about underhand methods adopted in particular countries in the award of tenders which may come to their notice. Such Reports can be processed by our Commercial Attachees and action taken, where necessary. There Reports can also from a nucleus in the Ministry of Commerce for framing their future strategy of action.

It may be stated that the World Bank and other International

Agencies are now sanctioning huge sums to underdeveloped countries for projects in education, medical, agriculture, dairying and family planning. These countries will require laboratory equipment for such projects. This is the proper time that Indian exporters are accosted to capture these markets which are normally under the influence of Western countries, specially South East Asia, Middle East and African countries which require greater attention where bulk of the investment is proposed.

*Comments of the Ministry of Tourism and Civil Aviation :*

As members of the International Air Transport Association (IATA) both Indian Airlines and Air India have to abide by the IATA regulations which preclude them from giving concessional air tickets or any other commercial concession in the cases such as the ones reflected in Item No. 4.

*Item V Raw Material :*

Our main requirements for the manufacture of scientific/medical, and agriculture equipment are :—

- (i) Brass ingot sheets and pipes.
- (ii) Copper ingot sheets and pipes.
- (iii) Zinc and aluminium.
- (iv) Copper wires and aluminium wires.
- (v) Mercury.
- (vi) Glassware.
- (vii) Stainless steel and other steel material.
- (viii) Varnish and paints.

Most of the above material is indigenously produced.

It has been observed that the foreign tenders take a long time to mature and by the time the final stage is reached the prices of raw material are substantially up. Indian Exporters especially in the medium and small sector are unable to cope with such a situation. It is suggested that the Export Corporation of India may be instructed to stock the above items for the benefit of exporters of our area.

*Comments of the Ministry of Steel and Mines (Department of Mines) :*

As regards aluminium, it may be pointed out that the availability of aluminium has eased considerably since the second half of 1980-81 on account of liberal imports through the MMTC. During that year over 3,00,000 tonnes of aluminium in the form of ingots and semi-manufactures were supplied by primary producers and MMTC, representing an increase of about 27% over the level of the previous year. During the current year, the demand for the metal has slackened and both the primary producers and MMTC are carrying large stocks. The exporters of scientific and electronic instruments of Ambala should not face any difficulty in getting their requirements of aluminium wires.

It may be added that under the Import Trade Control the exporters may supplement the supplies from domestic sources and the canalising agency by import under advance licencing procedure. MMTC has also been permitted to procure metal under the procedure for manufacture and export by its associate manufacturers. Besides, the Department of Mines have in the past taken necessary steps to ensure supply of metal for export production on basis of priority. There is, therefore, no need to maintain a separate buffer stock for meeting the requirements of exporters of scientific and electronic instruments as suggested in the petition.

*Comments of the Ministry of Commerce :*

Amongst other things, the petition has raised the question of timely availability of various types of raw materials. Most of the raw materials referred to, barring a few, are indigenously available. However, the list does include a few the imports of which are canalised through MMTC.

Taking into account the difficulties of the up-country actual users in taking delivery of imported raw materials from our port godowns, MMTC has opened distribution centres in different places in the country. Among other places, two such distribution centres have been opened, one each at Yamuna Nagar and Ludhiana.

In order to give a fillip to the export of non-traditional items from the country, MMTC has evolved a scheme for release of duty free raw material and grant other benefits to the manufacturer exporters. The

scheme has started picking up and several manufactures are taking advantage of this scheme which not only helps them increase their competitive strength in the inter-national biddings, but also enables them to receive imported raw material, such as ferrous and non-ferrous metals, etc., from MMTC "off the shell" on priority basis.

*Comments of the Office of the Chief Controller of Imports and Exports :*

In para 5 of the petition, the party have suggested that some designated agencies (which they have mentioned as Export Corporation of India) may be instructed to make bulk imports of the raw materials for allocation to the individual units engaged in export production. In this connection, it may be mentioned that there are already provisions in the import policy under which STA and other similar agencies in the public sector as well as Trading Houses in the private sector can obtain bulk import licences for raw materials and components for sale to Actual Users against valid licences held by them. In the case of canalised items, such as stainless steel, zinc, and copper ingots referred to in the petition, import is canalised through public sector agencies and Actual Users are entitled to book their demands with the concerned canalising agency and obtain the materials to meet their requirements. Some items such as mercury and aluminium wires are allowed to be imported by Actual Users under OGL.

In the case of exporters, it may be difficult to agree to the suggestion that they may be allowed to buy their requirements from a centralised agency for any value or quantity, without the industrial unit concerned having to obtain the import licence in accordance with the normal policy and thereafter approaching the centralised agency to obtain their requirements from them under the IRMAC scheme or to import direct. The details of the IRMAC scheme are given in para 118 of import and export policy.

In para 5 of the petition, the petitioner has mentioned a number of items which, according to them, are required in the manufacture of scientific/medical and agricultural instruments. Some of these items are canalised and some appearing in the limited permissible list. Such items can be allowed as import replenishment against exports in accordance with the general import policy for Registered Exporters. Therefore, if the petitioner actually needs these items, it should not be difficult of them

to make out a cases for a specific import replenishment rate for their products in the import policy for Registered Exporters and come through Engineering Export Promotion Council with specific proposals.

*Item VI Bank interest :*

It has been found that the banks charge very heavy rate of interest on advances to exporters and also there is no incentive given to small/medium scale Industries for export production. The Banks make profits out of the differences in sale and purchase rate of foreign currency. Besides, they charge commission for negotiation of documents. Therefore, the Banks should be able to contribute their share to encourage exports by giving advances/loans to Exporters on concessional rate of interest. In countries like Korea, Taiwan and Japan the Banks charge only 7% interest on advances to used for export goods. It is suggested that similar arrangements should be allowed in our country.

*Comments of the Reserve Bank of India :*

(1) By means of a directive, Reserve Bank of India has directed banks to charge interest at a stipulated rate which is far below the normal rate of interest, so far as export credit is concerned. It is only when export credit remains unadjusted beyond the stipulated period that banks are permitted to charge a slightly higher rate of interest subject, however, to a ceiling rate of 17.5% which in itself is a concessive rate compared to the ceiling rate of 19.5% permitted to banks. Besides, the provision for charging penal rates which could go up to 2% above the ceiling rate viz. 21.5% (19.5%+2%) is totally inapplicable to export credit. It is only where bank finance taken for export credit is not utilised for that purpose, which becomes evident from the fact that exports have failed to materialise, that banks have been asked to charge penal rate of interest with a view to discourage use of precious credit which is extended to the export sector on liberal terms.

(2) So far as export credit is concerned no distinction is made between small exporters or a large exporter including an export house. The rate of interest for the stipulated period is the same for all exporters. Distinction in rate of interest is more necessary so far as domestic credit requirements are concerned and suitable provision is made for this purpose with small scale industries which come under the priority sector,

getting bank finance at concessional rates of interest, in certain cases as low as 10.25 % as against large borrowers getting bank finance at 19.5%.

(3) It is part of the business of any authorised dealer in foreign exchange to retain the margin of profit on both sale transactions and purchase transactions in foreign currency. The currency rates in the International market can at times bring in heavy losses to the dealing banks. The petitioner's suggestion is that because of profit, banks should be able to contribute their share to encourage exports by giving export credit at concessive rates. Regardless of the profit earned on exchange business, RBI's directive requires banks to charge concessive rates of interest for export credit.

(4) We have no information about the rate of interest on export credit currently prevailing in countries like Korea, Taiwan, and Japan which the petitioner has indicated at 7%. Even if it is true, this is to be seen in the context of the entire rate structure including the cost of funds for the leading banks. In India, cost of funds being anywhere around 10% and interest on credit given to large borrowers pegged at 19.5%, the rate of interest charged on export credit at 12.5% for the first slab and 15% for the second slab, is certainly concessive in nature and should compare favourably with the rate of 7% referred to by the petitioner.

*Item VIII Placing Ambala on Air Map of India :*

Most of the Importers who come to India from foreign countries for negotiating business return back either from Bombay or from Delhi and are not inclined to visit Ambala, as the station is not including in the Air Map of India.

Ambala falls on Air Route Between Delhi-Amritsar-Srinagar, and Delhi-Chandigarh-Srinagar, and Air Force aerodrome is already available at the station. This aerodrome can be jointly used for army and civil traffic, as is being done at Chandigarh. Ambala can thus be brought on the Air Map of India without any appreciable expenditure and this will go a long way in removing the grievances of Haryana State as well as of the exporters of Haryana on this score,

*Comments of the Ministry of Tourism and Civil Aviation :*

Neither Indian Airlines nor Vayudoot or any other non-scheduled operator has evinced interest for operating scheduled air service through Ambala. Apart from this, the proximity of Ambala to Chandigarh precludes the possibility of Indian Airlines operating to both these stations. Besides Ambala being a sensitive Defence Establishment, the Air Hqrs. may not agree to any proposal for the schedule Civil Air Services through this Aerodrome. However, the matter will be considered, if Vayudoot evinces interest in operating to Ambala at a later time.

*Item VIII Opening of Export-Import Bank :*

The Export-Import Bank of India Act, 1981 (No. 28 of 1981) received assent of the President on the 11th September, 1981. This is an Export-Import Bank of India for providing financial assistance to Importers and Exporters and for functioning as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade and for matters connected therewith or incidental thereto. It is requested that the commissioning of this Bank may kindly be expedited, and a Branch of the Bank may also be opened at Ambala Cantt.

*Comments of the Ministry of Finance (Department of Economic Affairs) (Banking Division) :*

As regards opening of a branch of EXIM Bank at Ambala Cantt., it may be informed that EXIM Bank which was set up on 1-1-1982 has not yet opened any branch anywhere in the country. However, the request made by the Association has been forwarded to the EXIM Bank for appropriate action.

*Item IX Non-availability of Professional Guidance from Banks—bungling due to ignorance of rules.*

It has been observed that professional guidance is not forthcoming from the Banks for documentation of Export Documents. The officials at the helm of affairs are also not conversant with Foreign Exchange Rules of the R.B.I., JCCI & E Rules as well as fine points on preparation of shipping documents. They are also not conversant with the rules



contained in Uniform Customs and Practice of Documentary Credits of International Chamber of Commerce. So much so that in the case of Irrevocable and Confirmed letter of credit where 1000 deposit has been made by the Foreign Bank in advance with Indian Bank and in case of dispute, due to ignorance of rules, instead of referring the matter to the International Court of law for Arbitration, they adopt the short cut method of recovering money from the Indian Exporters.

On one pretext or the other to save their skin even though the documents may be correct in all respects. This has caused great harassment to the Exporters and is coming in their way for export promotion. In fact, this crude way of handling things will ruin the Indian Exporters besides causing loss of huge foreign exchange earnings to our country.

*Comments of the Reserve Bank of India :*

The petitioner's contention that bank officials are not conversant with foreign exchange rules of RBI and Joint Chief Controller of imports and exports rules as well as fine point on preparation of shipping documents may not be entirely incorrect. It is only that the staff that is assigned for the purpose that can be expected to have an expertise and not every official at the branch of the financing bank. The rules referred to by the petitioner are public documents and are available as much to the export community as to the bank officials. Chambers of Commerce and other organisations conduct periodical training programmes to equip the exporting community with the required expertise and it is for the petitioner to take advantage of the facilities provided by such training institutions. Similar training facilities have been provided at the bankers training college. There have been training programmes on export credit arranged where both bankers and exporters are brought on the same platform for a profitable dialogue and exchange of views.

(ii) Bank officials are said to be not conversant with the provisions of the UCPDC. This international code of customs and practices is a highly technical document and even today there are several issues on which neither banks nor exporters are completely agreed. There have been several cases where matters have gone to the International Chamber of Commerce for clarification or have even gone to the courts of law for decision. While bank officials handling export credit transactions are, by and large, conversant with the provisions of UCPDC, it would be too

much to expect them to be able to interpret for their clients the intricate provisions of the Code. This is of course not to deny the need for bank officials to be in the know of the provisions of the international code.

(iii) In the opinion of the petitioner, foreign banks opening irrevocable and confirmed letters of credit deposit 100% of the L/c amount with the Indian banks. This is wholly incorrect. These matters are guided by the agency arrangements between correspondent banks and it is neither the convention nor the practice for L/c opening banks to deposit the value of the L/c with the beneficiary banks.

(iv) The petitioner's grievance is that banks negotiating export bills drawn under irrevocable and on confirmed letter of credit adopt short cut method of recovering money from Indian exporters rather than press their claims against the L/c opening banks. Commitment by an issuing bank under an L/c is an undertaking that payment of the export bills would be made without recourse to the negotiating bank (and without awaiting payment from the opener) provided of course the documents are drawn strictly in conformity with the terms of the letters of credit. It has often been observed that Indian exporters are somewhat negligent in drawing up export documents and therefore, on some point or the other the documents are found to be not conforming to the terms of the credit. In such cases, the above undertaking of the issuing bank would not be operative. Export bills negotiated under letters of credit would not therefore be immune from this disability. In case of any discrepancies, banks generally negotiate the documents under reserve and, such negotiations are with recourse to the Indian Exporters. In such circumstances, the negotiating bank in the event of the bill being not honoured by the opening bank, recovers the money from the Indian exporter for which the Indian exporter should not have any legitimate grievance. The only blame that can be laid at the door of the negotiating bank is that it may not have taken up the matter with the L/c opening bank in full earnest in the interest of the exporter client. In the face of the attitude adopted lately by certain banks in the middle East, particularly of Arab origin, the position of negotiating banks in India has turned out to be somewhat unhappy and for the recovery of the post-shipment credit given by them, they can have recourse to the exporter alone and none other.

## APPENDIX III

(See para 3.4 of the Report)

Report in respect of action taken by Government on the various recommendations made by Study Group who visited Raniganj to study in depth the problems of telephone services in the area.

### Part I Group Dialling System in Asansol Coal Belt Area

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<i>Summary of recommendations</i>	<i>Action by</i>	<i>Action taken</i>
1. Installation of 2 cable cabinets at junction points.	Circle	Action completed
2. Dessication of Asansol Barakar 100/20 lbs. PCUT cable.	Circle with assistance of GMT CTD	Action programmed for December 82-January 83
3. Diversion of Raniganj Bahula Junction cable below the bridge to avoid theft.	Circle	Action completed
4. Augmentation of loaded cable pairs in Neamatpur Barakar Sec.	Circle	Action programmed for December 82-January 83

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<i>Summary of Recommendations</i>	<i>Action by</i>	<i>Action taken</i>
5. Augmentation of Junctions to and from Asansol Tandem to various MAX-II	P & T Directorate	Sanction for the work and equipment has been issued. Order for material is placed on M/s, I.F.I
6. Technical attention at Burnpur MAX-II and posting of Additional Technicians as per standard in all Group Dialling Exchanges.	Circle	Action completed. A spacial technician has been deputed.
7. Rehabilitation of Room Coolers in Group Dialling Exchanges, provision of additional room coolers & extension of A.C. Duct to tandem & sealing of windows etc.	P & T Civil & Electrical wings, Calcutta	Action is being taken.
8. Provision of Testers for CSs & RSs in Asansol Tandem and Auto Router in Asansol MAX-I.	P & T Directorate	Action is being taken.
9. Grading cracks	Circle	Work completed
10. Restoration of faulty cable pairs in Asansol Raniganj Main Junction cable.	Circle	Action programmed for December 82-January 83

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<i>Summary of Recommendations</i>	<i>Action by</i>	<i>Action taken</i>
11. Supply of imported PCM Systems for Asansol-Neamatpur cable PCM Systems.	P & T Directorate	Action under progress.
12. Checking of I.C. (Integrated Circuits) Selectors of Tandem for dropping and busy tone.	Circle	Work completed

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## Part. II Manual Trunk Service

<i>Summary of recommendations</i>	<i>Action by</i>	<i>Action taken</i>
1. Strict supervision on disposal of Trunk Traffic at Raniganj & Asansol and chasing of interruption on Trunk circuits.	Circle	Being done regularly.
2. Building up additional circuit at Raniganj on UHF System	P & T Directorate & GMM Calcutta	Action being taken.
3. Provision of SLOD Cot. (each way) from Raniganj to Dhanbad and Kanpur & 1 CB Sigg. Cot. to Bolpur.	P & T Directorate GMM Calcutta.	Action under process
4. Provision of one MLOD circuit and one OTD circuit <i>via</i> Calcutta TAX at Raniganj.	-do-	Action under Process
5. Provision of one 12 Chl. Grp. (channel group) between Raniganj and Calcutta through UHF & M/W routes, Calcutta.	P & T Directorate GMP, CA & GMM CA	Action being taken.
6. Routing of Raniganj-Durgapur Trunk Circuits through UHF Systems.	P & T Directorate, GMM CA & GMP CA	Action being taken.

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<i>Summary of Recommendation</i>	<i>Action by</i>	<i>Action taken</i>
7. Sanction of a new post of SDOT, Raniganj.	P & T Directorate	Case under consideration
8. Provision of one new Trunk Circuit from Asansol Trunk Exchange to Raipur in M.P.	P & T Directorate	Action under process.

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## Part III. Automatic Trunk Service

<i>Summary of recommendations</i>	<i>Action by</i>	<i>Action taken</i>
1. Routining and checking	Circle	Routine testing done regularly.
2. Provision of A & B dials for testing IC SXs junctors.	Circle/ P & T Dte.	Order placed on M/s I.T.I.
3. Routining and checking	Circle	Being done.
4. Routine adjustment of Cross-bar switches.	Circle	Action under Process.
5. Proper checking of level of forward signal of sender of Asansol TAX	Circle	Work completed.
6. Checking of sending level of crossbar exchanges of Delhi and lose of junctions from IC/TT to those exchanges of Delhi.	Delhi tele- phone Distt.	Work in progress
7. Checking of sensitivity of sender and Register Receivers.	Circle	Work completed.
8. Checking of bus-bar voltage	Circle	Work completed.



<i>Summary of recommendations</i>	<i>Action by</i>	<i>Action taken</i>
9. Modification for operate and release lags of OK & SJ Relays in MF Senders and Registers & MFC Receiver CCT. introducing a relay contacts in the operate path of Sj. relay of MF Senders.	Circle	Work is being taken up.
10. Replacement of lamp in GSP by LEDs	P & T Directorate	Order for lamps placed on M/s I.T.I.
11. Restoration of answering Cct. of Asansol TAX	P & T Directorate	Work completed.
12. Provision of test Nos. at all stations connectd to Act Asansol TAX,	P & T Directorate Bihar Circle	Action yet to be taken.
13. Termination of all channel to Dhanbad and Jharia in Asansol coaxial room.	GMM CA	Action yet to be taken
14. Regular testing of channels between Asansol-Calcutta & Asansol-New Delhi before A.M. and between Asansol-Raniganj conveniently.	Circle GMM CA & GMM, New Delhi.	Testing of channels being done regularly.

<i>Summary of recommendations</i>	<i>Action by</i>	<i>Action taken</i>
15. Diversion of STD junctions to Durgapur from Re Cable Systems to UHF Systems.	P & T Directorate	Action not yet taken
16. Replacement of the faulty cards of MFC display panel of Asansol TAX.	P & T Directorate	Supply of Cards is awaited from I.T.I. Bangalore.
17. Checking of loop resistance and db. loss of tie cable between TAX & Coaxial room at Asansol.	Circle	Work completed.
18. Installation of 62.5 KVA Engine alternator at Asansol.	Circle	Work is in progress.
19. Supply of 50 V Head/ hand lamps to mtce. staff in TAX.	-do-	Work completed.
20. Checking of bus bar voltage.	Circle	Checking completed.
21. Completion of expansion of Asansol TAX from 600 to 900 by 31.8.82	GMP, CA	Work is in progress.
22. Arranging acceptance testing of equipments not done so far.	P & T Dte. & GMP CA	Action yet to be taken.
23. Accommodation for keeping mtcc. spares.	Circle & GMP/CA	Work completed.

<i>Summary of Recommendations</i>	<i>Action by</i>	<i>Action taken</i>
24. Arranging regular observation of GSP & release of held up equipment etc.	Circle	Being done regularly.
25. Arranging refresher training to Technicians of Asansol TAX on adjustment of X-bar switches.	P&T Dte.	Action yet to be taken.
26. Posting of to experienced JEs from other TAXs on Temp. transfer to bring up the level of Asansol TAX.	-do-	Action completed.
27. Posting of DET with experience in Patna Conta X-Bar in Asansol Engg. Division.	-do-	Case is being pursued.

## APPENDIX IV

(See para 3.12 of the Report)

[Representation regarding deterioration of telephone service in Bombay]

S.S. Bankeshwar

B 46 Aaram Co-operative  
Housing Society,  
Vakola, Bombay-400055.  
August 31, 1982.

*Phone Subscribers Grievances for the Lok Sabha  
Petition Committee*

*By S.S. Bankeshwar*

*For publication as an article or as a news item in your paper*

In response to my appeal to our phone subscribers requesting them to send their specific complaints to me for being forwarded to the Petition Committee of our Lok Sabha, I received a large number of complaints from our aggrieved 'phone subscribers.' These complaints were duly forwarded to the Petition Committee for its consideration.

Since Mr. S.S. Chawla, Senior Legislative Committee Officer of our Lok Sabha, has requested me to send a consolidated list of complaints to him, I am releasing it to the press with a copy to him.

*Excess Billing*

1. A large number of phone subscribers have complained to us that they continue to receive inflated bills even after they got rid of their STD connections. They have alleged that unscrupulous 'phone subscribers pay monthly 'hafta' to linemen and 'meter-in-charge' to get their quarterly bills reduced at the cost of honest subscribers.

2. Wrong disconnections even when the 'phone' bills are paid before the due date.

3. Sudden demand notes from the Bombay Telephones asking subscribers for payment of their 'unpaid' bills of 1970, 1971 and so on. (No subscribers normally keep a record of the bills paid by them a decade ago). Is the Indian Limitation Act not applicable in regard to the recovery of 'phone' bill arrears ?, ask the subscribers.

4. On an average, every phone-subscriber receives five to six wrong calls per day. The subscribers have alleged that by overloading almost all exchanges to the extent of 50 to 100%, the Bombay Telephones have increased its revenue correspondingly by way of deposits and quarterly bills over the new lines in excess of the capacity of each exchange. According to them, this is the main reason for increasing number of wrong calls which net in huge revenue, the frequent melting of the contact points, the poor quality of relays and condensers, and the defective equipments supplied to the subscribers.

5. There is no co-ordination among the administrative, engineering and accounts departments, but this very inefficiency has turned out to be highly rewarding indeed. This is perhaps a unique case of a government department making a huge profit because of its all-ground inefficiency. The main credit for this, however, should go to the 'phone meters' which have proved their loyalty to the Bombay Telephones beyond doubt, although to the detriment and charge in of the honest subscribers.

6. Getting a local call through successfully to any body is a harrowing experience indeed. To begin with, one does not get a dial tone at all. If and when one does get it at last, the number dialed is perpetually engaged. If at all one succeeds in getting through the number dialed successfully, the number dialed often turns out to be a wrong number ! If by chance, one gets the right number, either the line gets cut off within a few seconds or the conversation will be interrupted by several cross lines. Very often, when a number is dialed, one hears both the 'engaged' sound and the 'ringing' sound at the same time, and sometimes, even in the midst of one's phone conversation. Sometimes, when a number is dialed, one hears neither a 'ringing' sound nor an 'engaged' sound.

7. Booking a trunk call is a frustrating exercise in futility.

8. Piracy of the 'phone is made possible by a subscriber tempering with connecting wires at the junction point with the help of the line

staff. An honest subscriber's line is simply connected to another party's instrument by manipulating the connection between the junction cables and the honest subscribers line.

9. *PCOs* : 50% of the PCOs are always dead and the rest of them have turned out to be the 'Public Cheating Offices'.

10. Dead phones : 25% of the Bombay phones are permanently dead. During the monsoon, 50 to 50% of the phones remain dead for very long periods ranging from 4 to 8 weeks. In this year, 50 to 60% of the phones were dead even before the outbreak of the monsoon for no reason whatsoever.

For instance, the 53 and 612 exchanges were in complete Chaos even two months before the outbreak of the monsoon. 50 to 60% of these two exchanges were dead for over 8 weeks.

11. Transfer of phones from one exchange to another : Inordinate delay, for no reason whatsoever, in shifting a telephone from one exchange to another even after works orders have been passed.

12. Thousands of our people applied for a telephone connection right from 1972 and a deposit of Rs. 5,000 was collected from each of them without paying any interest. In some cases, symbolic instruments have been installed at the residences of the phone subscribers whose applications for phone connections were sanctioned and works orders were issued two years ago. No real connections have been given to them by their respective phone exchanges even to this date. In many cases, it is only a simple case of transfer of phone from one exchange to another, and even in these cases, the works orders issued over two years ago are not yet carried out.

Sd/-

S.S. Bankeshwer  
Chairman

Telephone Subscribers'  
Association

B 46, Aaram Cooperative Housing  
Society, Bombay-400055.

Phone No. 6126061.

## APPENDIX V

(See para 4.4 of the Report)

[Copy of DO from Jt. Secy., Ministry of Industry to the Chairman M/s, Balmer Lawrie Ltd., Calcutta *re.* Containers and Closures Ltd.]

R.K. BHARGAVA  
JOINT SECRETARY  
(TELE : 372107)

Ministry of Industry.  
Deptt. of Industrial Development  
Government of India,  
New Delhi-110011.

Dear Shri Bhalla,

September 10, 1982.

As you are aware, the industrial undertaking of M/s Containers & Closures Ltd. is being managed by IRCI under the provisions of the IDR Act. In light of the Government policy decision announced in October 1981, we have been examining various alternatives in regard to the final disposition of the assets of this undertaking. IRCI has recommended that the only practical alternative for the undertaking is its nationalisation and its handing over to a public sector company. The unit is in a relatively reasonable condition, though it requires modernisation and up-to-dating of technology. A modernisation scheme was prepared in 1979 and IRCI had sanctioned Rs. 32 lakhs for its implementation. A further supplementary loan of Rs. 22.5 lakhs was sanctioned by RCI in 1981. However, without change in the ownership pattern, it would be difficult to implement any worthwhile modernisation scheme, and invest funds. The scheme has been only partially implemented. Some of the un-economic section, like drum shop, have been closed down with a view to improving its viability. The production in the unit has been going up every year and reached the level of Rs. 3.6 crores in 1981. However, due to the existing loan liabilities, and consequent interest burden, it incurred a loss of Rs. 40 lakhs during the year. In the event of nationalisation, liabilities in excess of book value of assets would be covered partially by equity capital. Thus even with the present productivity, the

unit will be out of red on nationalisation. Implementation of the revival scheme will considerably improve its general health and overall viability.

We feel that nationalisation of the unit, which is basically viable and is employing 850 persons, will be in public interest. Companies in the petroleum industry which are purchasing large quantities of containers would be the natural choice for vesting of the assets of the unit after it has been nationalised. Balmer Lawrie Limited, which is already in the engineering field and has a Containers Division, can with advantage take over the unit. Shri A.P. Singh has discussed the issues involved with officers concerned in your company and has given them the required information. Earlier, your company had the opportunity of looking at the viability of the unit. Should you require any more information you may contact Shri P.C. Pani, Chief Executive of the unit.

I shall be grateful if you can let us know as soon as possible if the undertaking of Containers and Closures Limited can be vested in Balmer Lawrie Ltd. after it has been nationalised.

I am endorsing a copy of this letter to the Jt. Secretary, Department of Petroleum.

Yours sincerely,

(R.K. Bhargava)

Shri A.K. Bhalla,  
Chairman,  
M/s. Balmer Lawria Ltd.,  
21, Netaji Subhas Road.  
Calcutta-700001.



## APPENDIX VI

(See para 4.5 of the Report)

[Comments dated 20th December, 1983 from the Ministry of Industry (Department of Industrial Development) on the representation regarding withdrawal of liquidation proceedings of Containers and Closures Ltd. and revival of the Unit by providing necessary funds ]

### M/S. CONTAINERS & CLOSURES LIMITED

The management of the Industrial undertaking of M/s. Containers & Closures Limited, Calcutta, was taken over under the provisions of Section 18A of the IDR Act on 28th November, 1972. The extended period of take over expired on 28th October, 1983. The Industrial Reconstruction Corporation of India Limited (IRCI) was Authorised to manage the undertaking from the beginning.

2. The undertaking is employing 828 persons and is manufacturing tin containers, drums and metal closures. It has its main factory at Naihati, about 50 KM from Calcutta, and a small factory in Bombay. The performance of the undertaking was consistently unsatisfactory during the takeover period. The main reasons for the poor performance were obsolete technology, old and obsolete machinery, high material wastage, poor productivity, unsatisfactory quality control, lack of proper planning, high overheads, excess labour, unsatisfactory labour relations, management deficiencies and keen competition from larger units like Larsen Toubro, Metal Box and Poysa on the one hand, and the small scale sector on the other, which has excise/duty advantages. Consequently, the capacity utilisation had been unsatisfactory. While the Bombay unit was closed down earlier, the drum shop department at Naihati was closed down in April, 1981.

3. The undertaking incurred cash losses in each of post-takeover years except for the year 1974. The accumulated losses till December, 1982, added upto Rs. 577.5 lakhs as compared to the share capital of Rs. 25.5 lakhs giving negative net worth of 552 lakhs.

4. IRCI prepared a modernisation scheme during 1979 and sanctioned Rs. 32 lakhs. According to the assessment made by the IRCI, the scheme could not be implemented in the manner in which it was planned. Government requested Balmer Lawrie & Company Limited to prepare a revival scheme for the undertaking. The company submitted a report in January, 1983. The report pointed out towards a few strong points of the undertaking and at the same time a number of weak points. It required extra efforts to revive the undertaking but even then the revival could not be taken for granted.

5. According to the Policy guidelines announced in October, 1981 on sick industries future of the industrial undertaking being managed under the provision of the IDR Act should be decided quickly as the undertakings cannot be managed under the Act indefinitely. Attempts were accordingly made to find out if any other company would be interested in take-over of this unit either by sale or by merger. No party was found interested in the proposals. Rationalisation of the undertakings was considered but the criteria as laid down in the Policy guidelines were not satisfied. The track record of the last 10 years indicated that there were hardly any prospects of the unit becoming viable.

6. In view of the above circumstances, there was no alternative but to discontinue the management of the industrial undertaking under the provisions of the IDR Act when the extended period of take over of management expired on 28th October, 1983. The undertaking is no longer managed by IRCI under the provisions of the IDR Act. The creditors were also allowed to file winding up petitions in the High Court in order to protect their interests.

## APPENDIX VII

(See para 4.5 of the Report)

[Factual note dated 6 February, 1984 of the Ministry of Industry (Department of Industrial Development) on the representation regarding withdrawal of denotification order and liquidation proceedings of Containers and Closures Ltd., and revival of the Unit by providing necessary funds.]

The Government was of the opinion in 1972 that the industrial undertaking of M/s. Containers and Closures Limited, Calcutta, was being managed in a manner highly detrimental to the industry in which it was engaged and to public interest and that its resources were being dissipated. The Government accordingly appointed an Investigation Committee on 3.4.1972 under the provisions of Section 15 of the Industries (Development & Regulation) Act 1951 for full and complete investigation into the circumstances leading to the mismanagement of the undertaking. The Investigation Committee which submitted its report to the Government on 9.6.1972, came to the conclusion that Shri M.P. Poddar, who was managing the undertaking, had lost the confidence and trust of the company's bankers by his various acts of omission and commission. Some of the senior officers, during whose period of service the company could reach very high levels of production, had to leave the company out of frustration with the new management. It appeared to the Committee that the policies followed by Shri M.P. Poddar in the matter of procurement of materials, appointment of personnel at the factory etc, were not conducive to the best interest of the company.

2. After consideration of the report of the Investigation Committee the Government was of the opinion that M/s, Containers and Closures Limited, Calcutta was being managed in a manner highly detrimental to public interest. Government accordingly issued an order on 29.11.1972 under Section 18A of the IDR Act authorising the Industrial Recons-

truction Corporation of India Limited, Calcutta, to take over the management of the undertaking. The initial order was valid for a period of five years and was extended from time to time till 28.10.1983. The circumstances under which the order was not extended further have been explained in the note that has been sent to the Lok Sabha Secretariat on 20.12.1983.

3. Performance of the undertaking in terms of production and cash profits/losses since the take over of management by IRCI is shown in the following table :

<i>Year</i>	<i>Production</i>	<i>(Rs. lakhs)</i> <i>Cash profit/loss</i>
1973	117	(—) 26
1974	259	(+) 9
1975	273	(—) 15
1976	252	(—) 58
1977	258	(—) 69
1978	336	(—) 44
1979	327	(—) 46
1980	358	(—) 60
1981	381	(—) 52
1982	330	(—) 105

4. The Government requested M/s. Balmer Lawrie & Co. Limited in October, 1982 to examine the viability of the Undertaking and to suggest if they could take over the Undertaking on its nationalisation. In its report, M/s. Balmer Lawrie & Co. Ltd pointed out the strengths and weaknesses of the undertaking as follows :

*Strengths :*

- (i) Company's products namely metal containers and closures have a good demand in the eastern and the all India market respectively.
- (ii) The plant does not have perennial power cuts, very common in this part of the country.

- (iii) Adequate space and covered shed is available at plant site for modernisation, diversification and expansion.

*Weaknesses :*

- (i) The manufacturing technology, material flow, plant lay-out and equipment is very outdated and needs through revamping.
- (ii) High manpower deployment, lack of automation, low production standards, incorrect incentive system, redundant work force etc. are resulting in very low productivity.
- (iii) Complete absence of any inplant controls for production planning, quality assurance, raw material usage control, systematic plant maintenance.
- (iv) The technology base is very weak in terms of quality and expertise of staff required for critical functions like tool design, product development, printing, R & D, etc.
- (v) Very low attention and support to product improvement and development to needs of existing and new customers.
- (vi) Ineffective purchasing and failure to develop reliable sources of raw materials (for Black Plates) to ensure timely supply of specified raw materials at optimum prices.
- (vii) Very rigid and differing approach of three Trade Unions, affiliated to different political parties, added with intra-union conflicts has substantially reduced the flexibility in day to day operations and contributed towards indiscipline of workmen, work stoppages and slowdowns.
- (viii) A very low level of employee morale and a feeling of extreme insecurity for reasons of gradually deteriorating performance of the company, its bleak future and reluctance on part of IRCI to provide fund anymore.
- (ix) Due to acute shortages of working capital for reasons of continuing cash losses and poor working capital management, the

unit is facing a situation of plant capacity limitation because of non-availability of raw materials.

5. The reports also referred to the following threats to viable operations of the undertaking :

- (i) Uncertain indigenous availability of Black and Tin Free Plate of required size and quality is leading to plant idle time due to shortage of raw materials.
- (ii) Customers have very little confidence in company's ability to deliver goods of required quality consistently within the stipulated delivery schedules. They are, therefore, very reluctant to place orders of substantial quantity at a time, resulting in very low call-up sizes. This has resulted in, besides emergence of competitors in the small scale sector, (who have a price advantage due to low overheads and relief from excise duty), inefficient operations due to short production runs.
- (iii) Market reputation and Brand Image, which was very high in '60's have eroded considerably during the '70' s.
- (iv) More than half a dozen Containers and Metal Closures Manufacturers have established themselves in the eastern sector, mostly from small scale sectors, causing a serious threat to the Company.

6. While forwarding the report to the Government, M/s. Balmer Lawrie & Co. Limited remarked that the overall scenario seemed to be very dismal to make the unit viable. The company also stated that it would not be possible for it to be involved with the operations of the undertaking.

7. Apart from contacting M/s. Balmer Lawrie & Co. Limited, the Government also made attempts to locate some other company, either in the private sector or in the public sector, which could take over the undertaking. These companies included those engaged in the similar activity or those which were consuming the products of this undertaking. None of the companies contacted showed any positive interest in taking over M/s. Containers and Closures.

8. The policy guidelines on sick industries as referred to in our earlier note dated the 20th December, 1983 also lay down the criteria to be followed for nationalisation of an undertaking. An important criteria

is that the unit can be revived in a responsible period of time. On the basis of report submitted by M/s. Balmer Lawrie & Co. Limited and taking into account the track record of the operations of the undertaking during the last ten years, it was felt that there were hardly any prospects of the unit becoming viable.

9. The undertaking has been managed by Industrial Reconstruction Corporation of India during the period of validity of the orders under which management was taken over under the provisions of the IDR Act. IRCI has been managing the undertaking in accordance with the management resources available to it. Government have not made any enquiries regarding any misappropriation of funds by the officials of IRCI who were managing the undertaking.

## APPENDIX VIII

(See para 6.4 of the Report)

[Inspection Report on the accounts of All India Blind Relief Society, New Delhi furnished by the Ministry of Health and Family Welfare]

The Audit Party visited the office of the All India Blind Relief Society on the 7th and 21st of July, 1980, with a view to audit the accounts in connection with the grant-in-aid as indicated below :

- 1955-56 Rs. 25,000 for construction and equipment.  
1962-63 Rs. 50,000 construction of general ward and equipment  
(Rs. 41,852.40)  
(Rs. 8,917.74)  
1963-64 Rs. 12,000 construction of verandah, stair case terrace and out patient pavillion and equipment.  
1964-65 Rs. 1,000 equipment.

Though the institution is having separate account books for each of the grants-in-aids mentioned above, they however, showed their inability to produce the vouchers and other relevant records in support of the entries made therein as the same were stated to be eaten away by the white ants. The position on the basis of registers of accounts is given below :

*(i) 1955-56 (Rs. 25,000)*

As indicated in the letter of Government of India, Ministry of Health and Family Welfare (Department of Health) bearing No. 11030/18/76-Grants, dated 12.2.1980, the amount of Rs. 25,000 was paid to the Blind Relief Society for construction and equipment whereas the Administrator stated that this grant was meant for equipment only. This point needs elucidation at the level of the Ministry of Health and Family Welfare.



As stated by the Administrator they spent Rs. 26,000 on the purchase of equipment but the audit party of the AGCR which reviewed their accounts admitted the expenditure to the tune of Rs. 18,943 only. However, the Government of India *vide* their letter No. 1-160/56-F dated 17.6.61, allowed this institution to make purchases of equipment for the balance amount which the institution purchased.

(ii) 1962-63 (Rs. 50,000)

The institution was allowed a grant-in-aid of Rs. 41,852.40 for the construction of general ward and Rs. 8,917.74 for the purchase of equipment. As per entries in the register the institution spent Rs. 18,171.30 and Rs. 18,381.42 on construction of general ward in two years and Rs. 5,399.68 in connection with the sanitary fittings. Thus in all the institution spent Rs. 41,952.40 in the head 'Construction'. An amount of Rs. 8,917.74 was also spent on the purchase of equipment.

(iii) Rs. 12,000 (1963-64)

The institution was sanctioned an amount of Rs. 12,000 as grant-in-aid for the construction of verandah, stair case, terrace and out patient pavillion and equipment. Against this grant the institution incurred an expenditure of Rs. 19,960.91 towards construction of 'building'. They further spent another Rs. 6,407.75 for the purchase of equipment

(iv) Rs. 1,000 (1964-65)

This grant was sanctioned for the purchase of equipment. Against this grant the institution spent Rs. 1,110 for the purchase of different items *i.e.* Sanjivan Yantra and steam bath etc. for the Yoga Centre as per sanction of the Government of India.

With regard to the availability of the items of equipment in the stock of the institution, Dr. Paul (Administrator) stated that items of permanent nature like iron cots sterilisers, iron chairs, fans and other instruments purchased out of the various grant-in-aid are still in the use and appear in the stock but perishable and other items which became unservicable throw fair wear and tear have been written off after taking approval of the General Body of the institution. No sanction of the appropriate authority *i.e.* the authorities sanctioning grant-in-aid to the organisation appears to have been obtained before writing off the unservicable items.

***Conclusion***

Although the relevant vouchers, quotation letters etc. on the basis of which the equipment was purchased or the buildings were constructed are not available with the organisation at present for detailed examination but on basis of the record available with the organisation at present *i.e.*, registers, balance sheets etc., we could not detect any possibility of mis-appropriation or embezzlement during the years under review.

Sd/-  
(M.P. MITAL)  
EXAMINER LOCAL FUND ACCOUNTS  
DELHI ADMINISTRATION,  
*DELHI.*

## APPENDIX IX

(See para 8.5 of the Report)

[Factual Note dated 20th September, 1983 of the Ministry of Railways (Railway Board) on regarding conversion of Latur-Miraj narrow gauge line into broad gauge line.]

Several representations have been received from Members of Parliament and Public bodies for conversion of the Miraj-Kurduwadi-Latur narrow gauge line into broad gauge. The primary justification for the conversion of Miraj-Kurduwadi-Barshi-Latur Narrow Gauge lines into Broad gauge, is the avoidance of transshipment at Kurduwadi. The projected extension of the line will close the existing gap between Latur and Latur Road and will connect the sections to the existing broad gauge system towards South and East, provide an alternate route for transport of goods and passengers and make the operation more flexible.

This is one of the uneconomic branch lines of the South Central Railway. The general question of viability of the uneconomic branch lines on the Indian Railway was examined by the Uneconomic Branch Lines Committee, 1969, which went into this question in depth. In their recommendation, the Committee felt that there could be no question of closure of the Section from Kurduwadi to Miraj which had sufficient normal traffic in normal times. They felt that this section had to be converted into Broad Gauge, sooner or later. They accordingly concluded that the portions beyond Kurduwadi to Pandharpur should be converted into broad gauge as a first step and in regard to the Kurduwadi-Latur Section, a Survey should be made of feasibility of converting it into broad gauge and extending the line from Latur to Latur Road.

As a sequel to this recommendation, the South Central Railway was directed to carry out a traffic survey for the conversion of the Kurduwadi Pandharpur section from narrow gauge to broad gauge. The findings of the survey report submitted in 1971 revealed that additional passenger

traffic on the line could be met by the road transport services more economically as it is mostly short lead traffic and also seasonal in nature. Freight traffic, too, is very low on this narrow gauge route. In view of the not too bright traffic prospects, the report did not recommend the conversion of Kurduwadi-Pandharpur section to B.G.

Although the conversion project was not approved as such, Minister for Railways announced in the Parliament in 1973 that earth work would be taken up as drought relief measure on such reaches of Miraj-Latur section where this would be made use of in conversion of track later on. Side by side, a Preliminary Engineering-cum-traffic Survey for conversion of the section Miraj-Kurduwadi-Barshi-Latur from narrow gauge to broad gauge, and providing a broad gauge link between Latur and Latur Road was also ordered.

The survey work was completed in 1975. The length of the proposed line is 359 Kms. involving conversion of 326 Kms. and new construction of 33 Kms. Estimated cost of project was about Rs. 43 crores (Gross). In view of the heavy construction costs and low traffic prospects, the project was not found financially justified. The area through which the line passes has no resources for development of major industries likely to generate traffic of this order. The anticipated production of agricultural products and also the requirements of small scale industries, likely to come up in the area have been ascertained from the Govt. of Maharashtra, which also do not promise sufficient traffic to make the project viable.

In view of the unremunerative nature of the project, the investment on this project cannot be viewed favourably, particularly in the present context of economy, and severe constraints regarding availability of fund even for projects which are in progress. It has, therefore, been decided that the conversion project Miraj-Kurduwadi-Barahi-Latur from NG to BG and providing a new broad gauge line between Latur and Road may be deferred.

## APPENDIX X

(See para 10.1 of the Report)

[Other representations on which the Committee's intervention has procured expeditious, partial or complete relief to petitioners or the Ministries/Departments concerned have explained the position satisfactorily]

S.,NO.	Name and address of petitioner	Brief Subject and points raised	Facts perused by the Committee
1	2	3	4
			<i>Ministry of Social Welfare</i>
1	Shri E.R. Nayanar, Advocate I.O. Kalliasseri-Cannanore Distt. KERALA-670562.	Financial aid to disabled artists and litterateurs.	In their factual note dated 1 February, 1983, the Ministry of Social Welfare have stated as follows :-  "The scheme namely 'Reactivation of the 1961 scheme of financial assistance to persons distinguished in letters, arts and such other walks of life who may be in indigent circumstances' has been revived and will be circulated to the State Governments shortly for recommending the names. Shri Nayanar may please be advised to apply through State Government."
	<p>In his representation, dated 23 August, 1982, the patitioner stated, <i>inter alia</i>, as follow :-</p> <p>"There was a schme under the Culture Department of the Central Government to give financial aid to distinguished but disabled artists and men of letters. But it is under suspension now owing to lack of funds. I was informed.</p> <p>Though there is a recommendation of the UNESCO to give liberal pension to disabled and old men of letters and artists, neither the Central nor the State Government has so far taken it seriously. It is indeed a very sad state</p>		

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of affairs. In a Social Welfare State we are striving to establish social security of a reasonable nature to all sections of people should be guaranteed. But at present, litterateurs and artists who from the very life-breath of a cultured country, are being badly ignored and as the former have no political organisation to canvass for them they have little scope for survival unless the cultural consciousness of the Central Government is aroused and sustained.

At present the Kerala Government of course is giving a very small 'pension' of RS. 150/- per mensem. This was fixed five years ago, and not even a nominal increment is allowed this year. In these day frightful price rise of all articles and labour, what is Rs. 150/- ? The Kerala Government today is not to be blamed either, as they are short of funds. Previous Government had stopped this aid for purposes they know best, but the present Govt. have some how revived it with no increment in the amount. But no fresh application from newcomers were called for.

Now, my request is that the Central Government should revive its old policy of monetary helping the disabled and old artists and litterateurs. When the Government thus once again start paying 'pension' to these men,

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care must be taken to specifically include within the merit of the scheme, art critics, art scientists also (e.g. musicologists and music critics).

The previous scheme was intended to benefit distinguished but disabled litterateurs, artists and men of such other walks of life. The expression 'such other walk of life' should mean the art-critics and art-scientists also. Every thinking man know that, be it in the field of art or litterature progress cannot be achieved without constructive criticism. Hence these people should form some of the pillars on which our cultural palace is to be built up. In these circumstances I request you to recommend legislation so as to include specifically art-critics and art-scientists also within the future scheme to provide monetary help to disabled artists and litterateurs."

*Ministry of Railways  
(Railway Board)*

2 M/s. Mahalaxmi Delivery of  
Textile Industries unweighed  
Setn Jagat Bandu Coal consign-  
Road, Amritsar. ment.

In their representation, dated nil the petitioners stated *inter alia*, as follows :-

A rake of steam coal with wagon No. 35180 against R/R. No. 228583 dt.

In their factual note dated 2 April, 1983, the Ministry of Railways (Railway Board) have stated as follows :

1	2	3	4
<p>11.12.82 said to contain 54.1 M.T. was despatched to A/c M/s. Ram Saran Das &amp; Bros., Amritsar which had been allotted to us from BHANDRA SIDINGS.</p>	<p>It is understood that the weigh bridge was out of order on that date and the Railways have issued R.R. son the basis of C.O 2 tonnes i.e. 54.1 M.T 56.1 M.T. The following remarks were incorporated on R.R.s.</p>	<p>(PASSFD UNWEIGHED)</p>	<p>In respect of commodities, like coal, for which the minimum weight for charge is the permissible carrying capacity of the wagon, weighment is not essential for the purpose of levy of freight charges. In cases where wagons could not be weight at the forwarding station, the weight declared by the sender is accepted and railway receipts are issued levying freight on senders weight or the prescribed minimum weight whichever is higher. In the case of coal for which the minimum weight for charge is permissible carrying capacity, if the weight loaded is less than the permissible carrying capacity of the wagon freight is still chargeable on the permissible carrying capacity of the wagon.</p>
<p>The Railway have recovered their freight charges which were Rs. 13,281/ from us under their receipt No. 857286 on 15.12.82 for 56.1 M.T. of coal. The collieries had also recovered their dues from their agents namely M/s Ram Saran Das &amp; Bros., Amritsar on the basis of the whight shown on the Railway consignment note.</p>	<p>But on actually weighing the goods on arrival at Amritsar it weighted only 45.4 M.T. against 56.1 M. T. as noted on R/R. We had been billed by our coal agents for the despatch of 56.1 M.T. coal and had to pay even freight charges on 56.1 M.T.</p>	<p>As a result of the above we have suffered a big loss by way of having payments for coal &amp; freight which was never loaded. The details of the excess payment charged by coal agents and Railway as freight charges are as under :</p>	<p>The suggestion that in cases where weighment could not be done at the forwarding station, railway receipts should be issued after weighment at an en-route weighbridge is not feasible of adoption. The railway receipts have to be issued immediately after loading of consignments in token of the receipt by the Railway of the consignment for despatch by rail.</p>



1	2	3	4
(Comparison Chart)			
<i>Schedule 'A'</i>		<i>Schedule 'B'</i>	
<p>Quantity of coal said to be despatched to us <i>vide</i> R/R No. 228583 dt. 11.12.82. Railway wagon No. 35130. 56.1 M.T.</p> <p>Amount charged by our coal agents by M/s. Ram Saran Das &amp; Bros. <i>vide</i> their bill No. 535 dt. 24.12.82. 13191=00</p> <p>Freight charged by Railway on the basis of above weight paid by us <i>vide</i> their receipt No. 857286 dt. 15.12.82 13281=00</p>	<p>Quantity of coal actually received by us. 45.4 M.T.</p> <p>Amount which should have been charged on the basis of coal actual delivered to us. 10,675=23</p> <p>Freight which should have been charged by Railway on the basis of coal actual delivered to us. 10,747=90</p>	<p>Requests for re-weighment of coal/coke are acceded to in genuine and deserving cases, such as involving transshipment and abnormal delay, under the orders of the competent authority in the Divisions. In cases where there is abnormal shortage of coal/coke from wagons, the request for reweighment is considered. It will, no doubt, be appreciated that re-weighment entails considerable detention to stock thereby reducing the availability of wagons for further loading. Moreover in some places there are no weigh-bridges and if requests for re-weighment are agreed to as a matter of course the loaded wagons will have to be hauled to</p>	
Other miscellaneous charges	Other miscellaneous charges		

1	2	3	4
like octroi etc.	1171=90	like octroi etc.	different yards, weighed and brought back again to the booked destination thus causing heavy detention to wagons.
Total :-	27643=90	947=65	Besides, it would entail heavy increase in workload before delivery without any corresponding benefit.
		22370=78	

1	2	3	4
<p>So comparing the chart 'A' &amp; 'B' it shows that we have paid Rs. 5273=12 as excess charges as freight and for coal on this consignment.</p>	<p>Had the rake been weighed the colliery would have charged us for only that quantity which has been despatched to us and the Railway would have also charged for the quantity which they have transported. Such lapses on the railway part causes huge monetary losses to small units like ours.</p> <p>In view of the above you are requested to issue instructions to Eastern/Nothern Railways to weigh such Rakes enroute at Moghalserai or any other station having Weigh-Bridge facilities and the R.R's should be issued thereafter by the booking station. If this be not feasible such unweighed consignment should be delivered after reweighment at the destination station.</p>	<p>In view of the position explained above it is not possible to grant reweighment of coal/coke wagons in each and every case of complaint as a matter of course. In any case, if short loading is suspected, the matter may be taken up with the Deptt. of Coal as loading of coal in Railway wagons is done by the colliery staff.</p>	<p>Comments dt. 30.3.1983 of the Ministry of Works and Housing</p>
<p>3. Shri Shamsher Singh, Retired Foreman (Elect.), C-300, Kidwai Nagar (East), New Delhi-110023.</p>	<p>Payment of interest on delayed payment of Death-cum-Retirement Gratuity.</p>	<p>Comments dt. 30.3.1983 of the Ministry of Works and Housing</p> <p>1. <i>Payment of D.C.R. Gratuity</i> : The Provisional payment of Rs. 6039.00 on account of D.C.R. Gratuity was made to Shri Shamsher Singh on 9.2.79. Final payment of Rs. 3187.04 was made on 24.7.80, after revision of his pension w.e.f. 1.11.79 and a sum of Rs. 1000.00 was with held for adjustment against any unassessed dues from Shri Shamsher Singh. He did not vacate the Government accommodation, and No Demand Certificate was awaited from Directorate of Estates. In August 1980, Directorate of Estates intimated that a sum of Rs.2379.25 was out-standing against Shri Shamsher Singh. The withheld gratuity has since been released, after he vacated the Government quarter and produced no demand certificate from Directorate of Estates.</p>	

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<p>In his representation dated 21 July, 1982, the petitioner stated as follows :</p>	<p>"I have retired from service on 31.12.1978 (A.N.) as Foreman (Elect.) from the Central Electrical Division No. IV, C.P.W.D., New Delhi. I am sorry to state that final payments of my D.C.R.G. has not yet been made to me inspite of repeated requests in writing as well as verbal to the concerned authorities.</p>	<p>2. <i>Missing G.P.F. Credits</i> : Missing credits for February 1962 and May, 1962 were adjusted and intimation was sent by the Zonal Office <i>vide</i> Memorandum dated 25.6.1980. The missing credits for June 1962, July 1962 and October, 1962 to March 1963, and December 1978, along with interest upto July 1980, amounting to Rs. 304.00 has, been made to Shri Shamsher Singh on 14.12.1982.</p>	<p>3. <i>Payment of un-availed Earned Leave</i> : As per service record, Shri Shamsher Singh has been paid maximum admissible encashment of leave for 180 days. No further amount on this account is payable to Sbri Shamsher Singh.</p>
<p>In this connection, I am to lay down some facts, to seek your kind help from your honour good offices to get meearly payments of D.C. R.G. etc.</p>	<p>After my retirement, I was paid a provisional gratuity of Rs.6039.00 on 9.2.1979 out of the total amount of Rs. 8022.04 (less 25%=2013.04) the balance of Rs. 2013.04 was held up for adjustment of any dues that become due from me.</p>	<p>4. <i>G.P.F. Slips</i> : Slips for the year 1975-76 and 1977-78 were sent to Shri Shamsher Singh. However, as a special case, copies are again being sent to him.</p>	<p>5. <i>Pay fixation</i> : The pay of Shri Shamsher Singh, on his promotion on 11.1.73 was fixed at Rs. 428.00. The pay of Shri Amrik Singh on his promotion as Foreman (Electrical) was earlier erroneously fixed at Rs. 440.00 P.M. The same was corrected as per order dated 10.12.1980 and correctly fixed at Rs. 428.00 P.M. There is therefore no case for steppingup the pay of Shri Shamsher Singh.</p>
<p>(1) On revision of my pension and gratuity in late November, 1979 it was calculated at Rs. 10226.04, the balance become Rs. 4187.04. But I was paid Rs, 3187.04 on 27.4.1980 and again Rs. 1000.00 was held up on account of unaccessed dues if any against me.</p>	<p>I may point out that Rs. 2013.04 were held up for more than</p>		

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17 months and Rs. 1000.00 have not also been released for payment up till this date w.e.f. 29.7.1980.

In this connection, I may draw your kind attention to the instructions issued by the Ministry of Finance vide their O.M.No. F. 11(9) EV (A)/76, dated 19.2.79 and Ministry of Home Affairs O.M.No. F. 7 (1)-PU/79, dated 11.7.1979 wherein it is stated that deduction @ 10% or Rs. 1000.00 of the total amount (whichever is less) may be withheld for adjustment of outstanding dues if any and that this withheld amount may be paid to the retired Govt. Servant *after a period of six months*, and any dues thereafter may be recovered by the department concerned direct from the retired person.

(2) On the transfer of my G.P. Fund A/c No. G. 10511 from the Central Electrical Division No. V to the Central Electrical Division No. IV, C.P.W.D., New Delhi by the Zonal Officer (W.C.Est. 6) C.P.W.D., New Delhi vide letter No. ED.V/Sect. I/51(11)/20 (WC) 76, dated 18.7.1975 addressed to Shri Vishwnath Singh, Executive Engineer (Elect.) G.E.D.No.V, C.P.W.D., New Delhi. I found and noted from the balance sheet of my G.P. Fund account that th

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amount of my contribution for the months of 2/62, 5/62 to 7/62 and 10/62 to 3/63 were not credited to my G.P.F. account. As per than, A.G., C.W. & Misc. letter No. PE/9-5/Elect. 5/64-65/14906-08, dated 8.1.1965 to the Executive Engineer (Elect.) C.E.D.V., CPWD and also *vide* letter No. EDV/AB/BC (Shamsher Singh/4085-90, dated New Delhi 11.5.78 are not adjusted in that balance sheet. Thus the residual balance of my said G.P.F. account, as per Zonal Officers letter No. EDIV/FP/11/51/1/4.O.WC II/79, dated 6.7.1979, have not been cleared and paid to me so far.

(3) Interest allowed upto 5/79 on my G.P. Fund is to be paid upto 18.7.79 as I have received the payment on 19.7.79. The difference of Rs. 23.10 in unavailed Earned Leave salary is also required to be paid. It is also desired that the annual balance slips of my G.P. Fund account for the year 1975-76 and 1977-78, should be issued to me since I have not received any balance sheet after 1974-75.

I would like to mention that, if desired I can produce all the correspondence I have done with the authorities concerned since my retirement. But inspite of all these appeals and even after over three years of my retirement, legitimate dues of my G.P. Funds, D.C.R.G. etc. as mentioned above have not been paid to me neither I have received any kind of reply in the regard."

The petitioner has further stated that ;

I am to submit that at the time of my retirement, I was drawing Rs. 488.00 P.M. (Basic) w.e.f. 1.1. 1978 whereas a junior to me in every respect—Shri Amrik Singh, Foreman (Elect.), Electrical Division, Safdarjang Hospital, C.P.W.D., New Delhi who was promoted as Foreman w e.f. 23.3.73 and was junior to me, was at the time of his retirement on 31.7.78 getting pay @ Rs. 500.00 P.M. w.e.f. 23.3.78 as Foreman (E).

I also append below comparative figures as to how the junior person was getting more pay and my claim for stepping up had not been entertained. \*

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	Pay fixed as on Pay commission Recommendation w.e.f. 1.1.73 as Electrician	Date of Promotion as Foreman (Elect.)	Pay fixed as Foreman (E) as Pay commission Recommendation
Shamsher Singh	Rs. 420.00	11.1.1973	Rs. 428.00
Amrik Singh	Rs. 430.00	23.3.1973	Rs. 440.00

In this connection, I have requested through my several representation submitted to the Executive Engineer (Elect.), Central Electrical Division No. IV, C.P.W.D., New Delhi to the superintending Engineer, Central Electrical Circle No. IV, C.P.W.D. New Delhi. Further, I have also submitted numerous of appeals within this period to the chief Engineer, C.P.W.D. The Directed General of Works, C.P.W.D. and the Director of Administration, C.P.W.D., New Delhi (If desired I can produce the copies of my correspondence) since 1974 when according to the III Pay Commission Report' 1973 pay were fixed and revised of all categories.

But I regret to write down, that I have not received any satisfactory reply in this regard from the authorities concerned. My pay was not stepped up at par with that of my Junior's pay as per rules laid down by the Government itself. What I have been intimated, is only, that my pay is fixed correctly, which is quite irrelevant to my basic request, that my Junior was given more pay and now getting more pension in violation of the Government Rules.

It is on record that Shri Amrik Singh, F/E (E) (Retired) has received all retirement benefits at enhanced rates. He is getting more pension than myself and can be verified from the Pay and Accounts Officer (West Block), R.K. Puram upto this date.

In view of the above and the fact that I have not received justice from any corner, I submit this petition for consideration by the Petition Committee of the Lok Sabha and fervently hope for a judicious decision.

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4. Shri P. Krishna Rao, Khalasi, CME Section, VPT, Visakha patnam, Reinstatement in service of Burma Repatriates by the Visakhapatnam Port Trust.

In his representation dated nil the petitioner stated as follows :

"We were removed from service on 21.4.1981 after serving for 11 months on an incorrect report against our bonafides of Burma Repatriates.

We have represented to the Special Officer, Office of the Collectorate, Visakhapatnam. After verification of our bonafides, he has issued Certificates on 6.5.1981. The original Certificates were directly sent to the office of CME/ Visakhapatnam Port Trust, by Collectorate.

Thereafter, Office of the CME/ VPT has referred the matter to Collectorate thrice seeking clarifications in our bonafides between 20.5.1981 and 12.6.1981. The Special Officer, Collectorate, Visakhapatnam has again confirmed in each case and has replied the bonafides of our claims as genuine Burma Repatriates *vide* his letter No. RC. 4454/81 K 4, dated 28.5.1981.

*Ministry of Shipping and Transport (Shipping Wing)*

In their factual note dated 30 March, 1983, the Ministry of Shipping and Transport (Ports Wing) have stated as follows :

"The matter was taken up with Visakhapatnam Port Trust and the facts of the case are furnished below.

The seven petitioners under reference along with other similar persons (totalling 71 in number) were sponsored by the local Employment Exchange as Burma Repatriates on the basis of Certificates produced by them and were employed in the Visakhapatnam Port Trust. These persons were employed as Casual Khalasis and were kept on probation. The original Burma Proof/Education certificates in respect of these 71 caandidates (including the 7 candidates referred to in the petition) were sent to the Special Officer (R.R.), Collectorate Visskhapatnam District to certify their genuineness. In response, the Special Officer (R.T.), Visakhapatnam, who was the issuing authority, informed the Port Trust that out of 71 proof certificates 19 (including those of the said 7 candidates) were forged



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Being not satisfied, still the Office of CME/VPT has once again referred the matter to District Collector, who has issued a letter No. RC. 4454/81 K 4, dated 15. 6.1981 certifying on our bonafides, which was received in your office on 3.8,1981.

We, being the genuine Burma Repatriates approach you with a humble submission that for no fault of ours, we were deprived off of our living. For the past 6 months, our families are on the verge of starvation and death.

We appeal to you to kindly reinstate us and thus save our families for the pavg of hunger and starvation."

and not genuine certificates.

The services of these 19 candidates (including the said seven candidates) who were under probation wsrre terminated under Regulation 10 of the Visakhapatnam Port Employees (Recruitment, Seniority and Promotion) Regulations, 1964 which provides that such employees can be discharged without notice, if the antecedents etc., are found to be not correct.

Out of the 19 candidates terminated on this ground, 7 persons referred to in the petition obtained fresh certificates subsequently on 6.5.1981. These certificates were apparently issued after their termination from service on 21.4.1981. Since the original certificates produced by these persons were forged ones, the original appointment made on the basis of the false certificate was *ab initio* void and the question of reinstatement of these persons would not arise. However, if their candidature is sposed again through the local Employment Exchange on the basis or their fresh eertificates dated 6.5.1981 the Port Trust wilj have no objection to consider their cases afresh on merits.

Incidentally, it may also be stated that when some of these candidates represented their grievances to the Ministry of Labour, it was decided by them that there was no case to refer the dispute for adjudication."

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<p>5 Shri Gopal Dutta, Settlement of 44, G.N. Mitra Road, P.O. Burdwan (W.B.) 713101.</p>	<p>payment of the contract by DVC (Damodar Valley Corporation) authorities.</p>	<p><i>Ministry of Energy (Department of Power)</i></p>	<p>In their factual note dated 12 October, 1983, the Ministry of Energy (Department of Power) have stated as follows :-</p>
	<p>In his representation dated 21 February, 1983, the petitioner stated as follows :</p>		<p>“Several representations have been received from Shri Gopal Dutta, Transporters, Civil and Mechanical Engineers, General Suppliers &amp; Govt. Contracts, alleging non-settlement of dues amounting to Rs. 1,23,307.50 in respect of the work of unloading dredged sand silt from dumb barges and depositing the same in connection with clearing silt from harbour pond near Durgapur Barrage. The first of such representation was received in this Department in October, 1980, which incidently contained a threat of committing suicide if favourable action were not taken. The representation was examined in consultation with Damodar Valley Corporation. It was intimated by DVC that Shri Dutta had preferred two bills for Rs. 1,23,307.50 for payment. It was held by DVC that as per Clause 2 of the Special Conditions of Contract, no compensation was to be paid if loaded barges were not made available to the contrac-</p>
	<p>2. On whimsical, abnormal and illegal abandonment of about 80% contractual works on disgraceful and miserable defaults of DVC result of which misused huge National Wealth and properties also idling own full fledged dredging unit constantly for about 3 years, I submitted my Bills against supplementary executions and</p>		

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investments establishments without indulging into legal steps for premature and illegal abandonment. Engineer Incharge denied to entertain same against intention to hide, suppress and ignore own high irregularities and defaults, in November 1980, whom I referred to DVC higher authorities later to the Ministry of Energy of India for judgements and considerations in December 1980, which stood as disputed and pending issues beyond the jurisdiction of said Engineer at said stage. Results of said blokeage of fund brought great financial and other strains for me which compelled me to pray to said Engineer on 9.12.1980 verbally to pay me my fee and overmatured dues of Rs. 4,330/- as 50% refund of my security deposit as per my contractual liberty and entitlements, Instead of doing said, I was insisted and advised by said Engineer verbally to draw my Final Bill of Rs. 1148/- only first conditionally and pending settlement of my said supplementary Bill for Rs. 1,23,307/- imposing such conditions *vide* a letter addressed to him for treating and counting said Bill as valid, regular and uneffected after receiving my overmatured Final payment etc. Accordingly *vide* my letter No. 129 dated 15.12.1980.

tor for unloading. Therefore, bills of 14.3.1979 and 21.6.1980 against which Shri Dutta had claimed compensation either for idle labour or establishment or for incurring extra expenditure for bringing labourers, which were not tenable could not be admitted. Further, some of the items of the bills were not admissible because Clause No. 5 of the "Special Conditions" provides that "Contractor is to supply all anchoring materials, tools, tackles, scaffoldings ladders, pins, signs and signals labour etc. as may be required for so fixing the loaded dumb-barges and in connection with unloading of the dredged materials from the dumb-barges at his own cost and his tender rate must be all inclusive." As the jetty was required to be constructed in connection with unloading operation of the dredged materials from the dumb-barges, the claims thereof by the contractor were inadmissible. As per Clause 10, the contractor is to arrange for maintenance and repairing of all Public. Utilities and therefore the cost of construction of drain as claimed could not be admitted. Shri Dutta was therefore informed, that as per DVC, the claims were not according to the contract and could not be admitted.

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I imposed such conditions of by no means whatsoever my said supplementary claims may stand as invalid after receiving my said undisputed dues endorsing copies of said letters-to DVC higher authorities for noting and actions. On receipt of said conditional letter said Engineer on same day *vide* his letter No. 2049(3) dated 15.12.1980 assured actions as per my said desires of said letter and instructed to sign the Final Bill immediately without lodging any objection, objection or inability on my said conditions. Accordingly I on good faith signed the Final Bill for Rs. 1,148/- only endorsing no demand on measurements of same on 16.12.80 on my full liberty and entitlement of getting Rs. 4,330/- as said. It may kindly be noted that none can spoil and forgo claims of Rs. 1,23, 307/- on said liberty and entitlements of getting Rs. 4,330/- for getting only Rs. 1148/-. This is quite absurd and abnormal, and falls under the purview of full benefits of doubts and justices. When I was under most acute and stringent problems and poverty on 30.12.80, said Engineer verbally instructed me to re-endorse. Further no demand as per his requirements and dictations for early and easy passing of said

Representations continued to be received from Shri Dutta. In his letter dated 15.9.81 Shri Dutta reiterated his threat of suicide if favourable decisions was not taken by 30.9.1981. The matter was brought by DVC to the notice of the Govt. of West Bengal who got an enquiry made through the State Police authorities. Subsequently, DVC acceded to Shri Dutta's request for referring the dispute to arbitration. Under Clause 23 of the agreement Shri A.K. Dutta, Addl. District Judge, Govt. of West Bengal, who was on deputation to DVC as special Officer, was appointed as sole arbitrator for adjudicating the dispute. An amount of Rs. 2344/- was paid to Shri Dutta, as per the Award.

In view of the above, DVC has treated the case as closed."

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Bill reflecting the contents of said two letters dated 15.12.80 of both of conditions with assurances of all sorts of validities of my said claims. Accordingly I re-endorsed further no demand to draw Rs. 1,148/- on my entitlement of drawing Rs. 4,330/- as said and on said pending position.

During March and May, 1981 the DVC denied to entertain my said supplementary claims against excuse of effectation of said final payment and closed the chapter finally in writing. On receipt of private secretary to the Hon'ble Union Minister of Energy of India during November, 1981, the DVC reviewed its final decision as said and directly appointed its own special officer as sole arbitrator to adjudicate my claims without taking my consent in December, 1981.

Said learned Arbitrator booked to own staffs only and overlooking, ignoring and unconsidering vital issues on my sufferings and entitlements passed award in my favour for 2 occasions of idlements of my labours only incorrectly without adjusting relected and contractual supervision and establishment costs, on vague equitable ground quite whimsically and unjustly. Although said Award have made said DVC

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decisions as wrong and unjust but have effected no required and proper relief to me. Said Award have estopped my other and vital claims on the basis of my drawing of said Final payment against said endorsements, which now render said Engineer liable for indulgence in fraudulent and illegal activities for depriving me in receiving my major dues, because he compelled, forced and lead me to draw said final payment against said No. demand endorsements which said learned arbitrator referred and counted to estop my claiming. He applied his equity on labours only but impartially not applied same on constant and prolong idlement of directly and contractually related supervising staffs and establishment thereto for 528 days whom I was bounded to employ and provide as per clause of contract, written orders of DVC, and to avoid monthly penalty of Rs. 2000/- in default of providing same. Hence judgement and award of said learned arbitrator are partial, vague, motivated, unjust and whimsical which deserves immediate revoking and reviewing to prevent as said in above subject matter. At last, said Arbitrator has declared himself as a *functus-officio* in granting my review petition.

It is quite impossible for me by all means to recover my said dues against helps of competent court of Law hence I applied to the Chairman, DVC, Honable Minister of Energy of India and at last to the most Hon'ble President of India *vide* bunch of petitions to help and save me and my family members. But unfortunately no active, fruitful and required relief and justice considered yet except a few printed acknowledgement cards only which have already stood to us a vague and useless for dummy activities of same. On the other hand I have been dragged to such most severe, stringent and dangerous positions of quite untolerations, unadjustments and beyond controls by all means. Suicide can only effect relief to me now if I cannot achieve reliefs and justices from my Government immediately on priority basis to prevent said all of subject."

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