

**COMMITTEE ON PUBLIC
UNDERTAKINGS
(1971-72)**

(FIFTH LOK SABHA)

SIXTH REPORT

**[Action taken by the Government on the Recommendations
contained in the Seventieth Report of the
Committee on Public Undertakings
[Fourth Lok Sabha]**

INDIA TOURISM DEVELOPMENT CORPORATION

(MINISTRY OF TOURISM & CIVIL AVIATION)
(DEPARTMENT OF TOURISM)



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C_O_R_R_I_G_E_N_D_A

SIXTH REPORT OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (1971-72) ON THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE SEVENTIETH REPORT OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (FOURTH LOK SABHA) ON INDIA TOURISM DEVELOPMENT CORPORATION.

Page Line

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26	24	delete comma at the end
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34	13	For "Kolvalum" read "Kovalam"
38	15-	For "Ccommittee" read "Committee"
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44	8	For "Conomically" read "economically"

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COMMITTEE ON PUBLIC UNDERTAKINGS (1971-72)

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SECRETARIAT

Shri Sameer C. Mookerjee—*Deputy Secretary.*
Shri M. N. Kaul—*Under Secretary.*

*Elected w.e.f. 11.8.1971 in the vacancy caused on the resignation of Dr. V. K. R. Varadaraja Rao, M.P. on 29.7.71.

STUDY GROUP VII ON ACTION TAKEN REPORTS AND
GENERAL MATTERS

1. Shri M. B. Rana—*Chairman*
2. Shri P. Parthasarathy
3. Shri S. N. Misra
4. Shri Dahyabhai V. Patel
5. Shri Syed Ahmad
6. Dr. Kailas
- *7. Dr. V. K. R. Varadaraja Rao.

*Resigned from the Committee on Public Undertakings with effect from 29th July, 1971.

INTRODUCTION

I, the Chairman, Committee on Public Undertakings, having been authorised by the Committee to submit the Report on their behalf, present this Sixth Report on the Action Taken by Government on the recommendations contained in Seventieth Report of the Committee on Public Undertakings (Fourth Lok Sabha) on India Tourism Development Corporation.

The Seventieth Report of the Committee on Public Undertakings was presented to the Lok Sabha on the 30th April, 1970. Government furnished their replies indicating the action taken on the recommendations contained in the Report on the 3rd November, 1970.

Further information sought in respect of certain points arising out of the replies furnished by Government was received on 19th April, 1971.

2. The replies of Government to the recommendations contained in the aforesaid Report were considered and approved by the Committee on the 14th September, 1971 and the Chairman was authorised to finalise the Report on the basis of the decisions of the Committee.

3. The Report has been divided into the following five chapters:—

- (i) Report.
- (ii) Recommendations that have been accepted by Government.
- (iii) Recommendations which the Committee do not desire to pursue in view of the Government replies.
- (iv) Recommendations in respect of which replies of Government have not been accepted by the Committee.
- (v) Recommendations in respect of which final replies of Government are still awaited.

4. An analysis of the action taken by Government on the recommendations contained in the Seventieth Report of the Committee

is given in the Appendix. It would be observed therefrom that out of 43 recommendations made in the report 65 per cent have been accepted by Government. The Committee do not desire to pursue 24 per cent of the recommendations in view of Government's replies. Replies of Government in respect of 5 recommendations (11 per cent) have not been accepted by the Committee.

NEW DELHI;
September 16, 1971.

Bhadra 25, 1893 (S).

M. B. RANA,
Chairman..
Committee on Public Undertakings.

CHAPTER I

REPORT

A. Formulation of a Comprehensive Scheme for the Development and Promotion of Entertainment and Recreational Programmes to Cater Particularly to the taste of Foreign Tourists

Recommendation (Serial No. 20)

The Committee in their recommendation in para 6.3 of the Seventieth Report (Fourth Lok Sabha) observed that no serious attention had been paid to evolve suitable and adequate forms of tourists entertainment. The Committee expressed their surprise that in spite of the comments of the Estimates Committee (1968-69) in their Ninetieth Report on the Ministry of Tourism and Civil Aviation (Department of Tourism) and some suggestions made by the Jha Committee in this regard in 1963 the initiative had been left entirely to the non-official agencies with the result that nothing much has been done in this matter since 1963.

The Committee had recommended that Government should make an intensive study of the whole aspect of entertainment and its various forms and formulate, in consultation and cooperation with State Governments and other official and non-official agencies, a comprehensive scheme for the development and promotion of entertainment and recreational programmes to cater particularly to the taste of foreign tourists.

The Committee had further suggested that the State Governments may also be persuaded to explore the possibilities of developing outdoor sports and recreational facilities in each region having potentiality of attracting tourists.

The Government in their reply simply stated that they had noted the recommendation of the Committee. The Committee further enquired what precise action had been taken by the Government to implement each of the recommendations made in this regard.

The Government stated in reply thereto that in New Delhi, concerts and recitals at the Ashoka Hotel by top ranking artists from all over India and from abroad had become an important feature of cultural life in the Capital and that an art gallery, a Chamber theater and exhibitions were other areas of cultural activity for tourists at the Ashoka Hotel.

The Committee feel that the reply of Government is criptic in nature and is not at all satisfactory as it speaks about there being some cultural activities for tourists that too only in Ashoka Hotel in New Delhi. All the suggestions put forth by the Committee regarding developing tourist entertainments to occupy the leisure of the foreign tourists do not seem to have been considered.

The Committee, therefore, reiterate their earlier recommendation that there is vast scope for developing tourist entertainment according to the genius and fabric of our own culture and tradition and urge once again that concerted efforts should be made and possibilities explored to develop tourist entertainment, outdoor sports and to provide other recreational facilities at India Tourism Development Corporation tourist resorts all over the country on the lines suggested by the Committee.

B. Provision of Entertainment Facilities for Tourists in Small Way Side Tourist Resorts

Recommendation (Serial No. 21)

In their recommendation in paras 6.4 and 6.5 of the Seventieth Report (Fourth Lok Sabha), the Committee had suggested that the India Tourism Development Corporation should arrange for entertainment facilities in small way-side tourist restore like Ajanta, Ellora, Khajuraho, Gir Forests, Bhubaneshwar, Konarak, Veravel, etc. by making local talents available.

The Committee had also suggested that India Tourism Development Corporation should function in complete cooperation with the Song and Drama Division of All India Radio, Sahityakala Akademi, etc. for the purpose of providing entertainment to the tourists.

The Government in their reply had simply stated that in the hotels run by India Tourism Development Corporation, the entertainment provided was typically Indian which depicted culture and tradition of the land. Being not satisfied by the Government's reply the Committee enquired what action had been taken by Government/India Tourism Development Corporation to provide entertainment facilities to the tourists at the way-side tourist resorts by making local talents available.

It was further stated by Government in their reply that because India Tourism Development Corporation was a commercial undertaking it would have to look to Government for subsidy for making such arrangements as suggested by the Committee.

In view of the fact that the entertainment is a part and parcel of the commercial activity of the undertaking (e.g. Ashoka Hotel), the Committee feel that the reply of Government is evasive in nature and, therefore, reiterate that efforts be made for identifying and making local talents available for providing entertainment facilities in way-side tourist resorts of India Tourism Development Corporation.

The Committee also urge once again complete co-ordination between the various cultural-cum-entertainment agencies and India Tourism Development Corporation for the purpose of providing entertainment to the tourists.

C. Projects Economically Unviable not to be Undertaken and Son-Et-Lumiere Projects showing loss to be dropped

Recommendation (Serial No. 22)

In their recommendations in paras 6.11 and 6.12 of the Seventieth Report (Fourth Lok Sabha), the Committee had suggested that India Tourism Development Corporation being a commercial undertaking, should not start any project which was not economically viable. The Committee had observed that the Son-et-lumiere show at Sabarmati Ashram and at Shalimar Gardens, Srinagar were losing propositions according to the anticipated working results during the first three years of operation. The Committee had, therefore, recommended that since Kashmir was gifted with a lot of natural wealth, the Sound and Light Project at Srinagar should be dropped.

In their reply Government stated that while a careful study of economic feasibility of a Son-et-lumiere show is important, it cannot be an over-riding factor. The Government further argued that sometimes provision of entertainment had to be taken up as a promotional activity and as such the Government had not accepted the recommendation of the Committee to drop the Son-et-lumiere project at Shalimar Gardens, Srinagar.

The Committee do not feel convinced by the reply of Government as well as by their argument that sometimes, provision of entertainment has to be taken up as a promotional activity. This does not apply particularly in the case of Son-et-lumiere show at Shalimar Gardens, Srinagar.

The Government had earlier intimated that in the case of son-et-lumiere show proposed to be started at Shalimar Gardens, (Kashmir), it was anticipated that there would be net losses of Rs. 1.81 lakhs, Rs. 1.96 lakhs and Rs. 2.06 lakhs during the first, second and third year of the operation of the project, respectively. Thus this project, if started, would entail a total loss of Rs. 5.83

lakhs during the first three years of its operation. The Committee are not sure whether the project would be able to attract the tourists in a place like Kashmir valley which is endowed with so much of natural scenery. It is also doubtful if the show would serve the purpose of a 'promotional activity'. In view of these considerations, the Committee reiterate their recommendation that no project should be started by I.T.D.C. which is not expected to be economically viable.

The Committee, therefore, reiterate their view that no project be started which is not economically viable and that Son-et-lumiere project at Shalimar Gardens, Srinagar be dropped finally.

D. Finalisation of Recruitment, Promotion and Conditions of Service Rules of India Tourism Development Corporation Limited

Recommendation (Serial No. 38)

In their recommendation in para 8.40 of Seventieth Report (Fourth Lok Sabha), the Committee had recommended that Recruitment, Promotion and Conditions of Service Rules for the employees of India Tourism Development Corporation should be finalised without delay taking care that the Rules bear the imprint of latest techniques and needs of administration in the light of current practices in efficient sister organisations. The Committee had also urged the formulation and introduction of incentive schemes on the basis of performance.

The Government in their reply stated that the Service Rules had been prepared and that the Rules were expected to be finalised soon. The Government did not mention anything about the introduction of incentive scheme.

The Committee enquired whether the Service Rules had since been finalised and also asked the Government to indicate the action taken to formulate and introduce the incentive schemes. The Government in their reply stated that Shri Ram Centre for Industrial Relations has drafted the Rules and that the Rules were being examined and would be finalised soon.

The Committee are distressed to note the inordinate delay in finalising the Service Rules and also do not appreciate entrusting this work to an outside agency which must have cost a lot to the Corporation. The Committee are unable to understand what prompted the Corporation not to take up the finalisation of Service Rules upon itself which is not a formidable task. The Committee are also unhappy to note that the suggestions regarding introduction of incentive schemes on the basis of performance has not been touched upon at all in Government's reply.

The Committee emphasise that Recruitment, Promotion and Conditions of Service Rules for the employees of the Corporation be finalised without further delay and also urge the formulation and introduction of incentive schemes on the basis of performance.

E. Construction of their own Building instead of Hiring Accommodation by India Tourism Development Corporation Limited

Recommendation (Serial No. 39)

The Committee recommended in para 8.47 of their Seventieth Report (Fourth Lok Sabha) that India Tourism Development Corporation should build its own accommodation instead of paying huge rents in the hiring of accommodation and also suggested that till such time India Tourism Development Corporation's own building comes up, the Corporation should exercise utmost economy in hiring office accommodation.

The Government in their reply stated that based on the current market rates, the rent paid by the Corporation for their present accommodation that is JEEWAN VIHAR in the L.I.C. building was considered reasonable. The Government also intimated that Indian Airlines had been requested to make available to India Tourism Development Corporation suitable space in their city terminal building to be constructed at Janpath.

The Committee are not satisfied with Government's reply as the Committee's recommendation regarding construction of their own building by India Tourism Development Corporation has not been commented upon.

The Committee noticed that India Tourism Development Corporation shifted its premises four times since its inception on 1st October, 1966 and paid fabulous rent amounting to Rs. 205,434.78 in less than two and a half years (from 1st October, 1966 to 8th March, 1969) for their office accommodation.

The Committee, therefore, reiterate their views that India Tourism Development Corporation should build its own accommodation instead of paying huge rents in the hiring of accommodation.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation [Serial No. 1(i)]

The Committee find a continuous increase of tourists traffic in the country. In 1966 the percentage increase of tourists over previous years was 7.9 per cent, the number of tourists being 1,59,603. In 1967 the percentage of increase over previous years was 12.5 per cent, the number of tourists being 1,79,565 and in 1968 percentage of increase over previous year was 5.2 per cent, the total number being 1,88,820. Moreover the projections of tourist arrivals in India made on the basis of studies by the Boeing Air Company for the years 1968 to 1981 roughly shows five-fold increase. The Committee find that in 1968 the tourist arrival according to these projections were expected to be 2,07,000 and whereas the beds available are only 16,816 which works out to a negligible percentage of the demand. The Committee, therefore, feel that ITDC should bear in mind that in cooperation with other agencies in the field plan will have to be evolved and successfully executed to meet the demands of rising tourist traffic by augmenting the hotel accommodation in the country and by improving the facilities for development of tourism.

(Paragraph 1.17)

Reply of Government

The India Tourism Development Corporation are actively engaged in the task of augmenting hotel accommodation and other facilities for tourists and the various schemes included in the Fourth Five Year Plan of the organisation place a heavy emphasis on these aspects.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation [Serial No. 1(ii)]

The Committee find that three separate undertakings were set up by Government to undertake the construction of hotels, to improve transport facilities and for development of tourism on 1st January, 1964, 21st February, 1965 and 31st March, 1965 respectively. Within the expiry of 1½ years, the Government decided to merge

these three undertakings into one in May, 1966. They realised its integration necessary and confessed that "the Government was still in a experimental stage and there was an inevitable process of gaining experience and building up an infrastructure for tourism through a process of some trial and error and learning by experience." This hasty decision to create 3 Corporations and then merging them into one led to unnecessary expenditure and avoidable dislocation of programmes of work. The Committee deplore the lack of mature thinking in the Government before taking decision on such important matters and urge that such tendency should be curbed in future.

(Paragraph 1.18)

Reply of Government

In view of the fact that an entirely new field was being entered, a certain amount of experimentation was inevitable.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation [Serial No. 1(iii)]

The Committee hope that the integration of these undertakings into one to realise the ultimate objectives of the Corporation *viz.*, to find maximum accommodation, transport facilities, entertainment and publicity material for tourists both Indian and foreign will meet with success.

(Paragraph 1.19)

Reply of Government

Noted

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Further information called for by the Committee

Government have simply noted the recommendations. Precise action taken to implement each of these recommendations may be indicated.

(Lok Sabha Sectt. O.M. No. 11(1)-PU/70, dated 22nd January. 1971)

Further reply of Government

With a view to augmenting hotel accommodation, the India Tourism Development Corporation have undertaken or propose to undertake construction and management of hotels at Bangalore, Kovalam, Dum Dum, Gulmarg, Aurangabad and Udaipur. In addition. Government have set up a Hotel Development Loan Fund from

which loans are given to suitable private entrepreneurs for setting up new hotels or expansion of the bed capacity of the existing ones. The India Tourism Development Corporation have proposals to start a few hotels at places like Jammu, Varanasi, Siliguri, apart from travellers lodges at places like Khajuraho, Mahabalipuram etc. On the entertainment side, there are proposals to mount Son-et-Lumiere at Sabarmati, Shalimar and Madurai temple and preliminary work in this regard has already been undertaken. As regards transport facilities, the India Tourism Development Corporation are operating tourist coaches at Delhi, Jaipur, Patna, Madras, Aurangabad, Khajuraho, Madurai, Bodh Gaya, Agra and Hyderabad. They have at present a fleet of 79 luxury cars, 32 Ambassador cars, 20 coaches and 8 mini coaches. In addition, Government are also encouraging private car operators, by advancing loans to purchase tourist cars and also by helping them in getting imported foreign made vehicles.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 16th April, 1971].

Recommendation [Serial No. 2(i)]

The Committee note the reasons behind the decision to integrate the 4 hotels in public sector in ITDC. "It has been claimed that the amalgamation would make possible the unified management of public sector hotels and secure benefits of large scale management by permitting coordination in policy, integration of operations, pooling, resources, etc." The Committee find that all the 4 hotels brought under one administration are meant to cater to the different categories of tourists mainly drawn from higher income groups. Moreover, they do not belong to other uniform standard even among themselves. Ashoka for example cannot be equated with Ranjit and Janpath Hotels. While recognising the fact that some advantages are likely to accrue by this merger, the Committee feel that adequate room for decentralisation should be made available to each one of them so that each one may function confidently and without any sense of superiority or inferiority. Undue interference of one with the other should be avoided.

(Paragraph 1.23)

Reply of Government

To enable each hotel unit to function smoothly and efficiently, adequate powers have been delegated. These are reviewed from time to time.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation [Serial No. 2 (ii)]

The Committee also notice that all these 4 hotels in Delhi cater to the needs of higher class and upper middle class tourists and no provision has been made to cater to the need of the lower income groups of tourist both Indian and foreign. The Committee recommend that ITDC being a public utility undertaking should endeavour to cater to the needs of different income groups instead of confining its activities to meeting the requirement of the tourists coming from affluent society alone. They feel that Delhi being the Capital of India should have hotels suiting the pockets of not only upper income group but also of the lower income groups of tourists both Indian and Foreign. They recommend that ITDC should set up hotels in Delhi and elsewhere to meet the requirement of low income groups.

(Paragraph 1.24)

Reply of Government

While it is true that Ashoka & Janpath in Delhi cater to the needs of the more affluent and upper middle class tourists, the Lodhi and Ranjit hotels which are one and two star category respectively, cater to the tourists of lower income group. ITDC's plans for construction of hotels, motels, etc. are primarily meant to cater to the needs of different income groups.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation [Serial No. 2(iii)]

While setting up hotels ITDC should bear in mind that maintenance of standard of efficiency and service is vital. The Committee recommend that ITDC should make every effort to maintain the respective standards of efficiency of their hotels and improve them to match the comparable Indian and International Standards. In the context of amalgamation of abovementioned hotels, the Committee recommend that lessons be drawn by the ITDC from the experience of major unified corporations for Steel, Fertilizer, Chemical and Oil Industries etc. and the difficulties encountered in those organisations with regard to working of separate units should be studied in advance by the Corporation with a view to prevent their recurrence in future in ITDC.

(Paragraph 1.25)

Reply of Government

ITDC is constantly striving to improve the standard of efficiency and service. Various schemes—like the renovation programme of Ashoka, on-the-job training of hotel staff etc. have been introduced and many more will be introduced in due course.

As recommended by the Committee the experience of the major unified corporation like steel, fertiliser etc. will be kept in mind.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2nd November, 1970].

Recommendation [Serial No. 3]

The Committee find that there is lack of clear-cut definition of role of the ITDC, Government of India and other agencies including the State Governments. It has been brought to the notice of the Committee that there are several agencies, e.g. Department of Tourism, Tourist Development Council, ITDC, State Tourist Departments, Indian Embassies abroad and other private agencies, all working towards one goal, namely the development of tourism in the country.

The Committee recommend that a clear-cut demarcation of functions between the Government|ITDC and other agencies including the State Government should be made on the following principles:—

- (i) Government i.e., the Department of Tourism both at the Centre and State should be responsible for promotion of tourism and development of places areas of tourist interest in the country.
- (ii) ITDC should work on commercial lines like any other undertaking in the public or private sector by providing to tourists accommodation, transport facilities, entertainment and organizing the production/sale of tourist publicity material within the limits prescribed in their Memorandum and Articles of Association. The ITDC should be judged on merits of their performance and on the basis of the profits, it makes while performing the functions assigned to it.
- (iii) There should be proper coordination between the Central Department of Tourism, I.T.D.C., State Departments of Tourism and private agency to avoid over-lapping while maintaining healthy competition.

(Paragraph 2.10)

Reply of Government

As observed by the Committee, several agencies viz., the Central Department of Tourism, the ITDC, the State Tourist Departments, the Tourist Development Council, etc., work for the same objective, viz., the development of tourism in the country. The Indian Embassies abroad also perform some promotion and publicity work in this direction. In the very nature of things, however, there cannot be any clear-cut demarcation of functions between these agencies. The Central and State Departments of Tourism carry out promotional, developmental and publicity work. The role of the Tourist Development Council is advisory in nature. The ITDC essentially performs commercial functions connected with tourism.

As regards the specific suggestions made by the Committee, the position is as follows:

- (i) The Departments of Tourism at the Centre and in the States are in fact responsible for promotional and developmental work in tourism.
- (ii) ITDC does work on commercial lines by providing tourist accommodation, transport, entertainment, etc.
- (iii) This co-ordination already exists and there is no overlapping or duplication.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 4)

The Committee notice a tendency on the part of the Government to identify ITDC as an agency of Government for promotion of tourism which they highly disapprove. They reiterate that the overall development of Tourism should be the exclusive responsibility of the Government and not of the I.T.D.C.

(Paragraph No. 2.11)

Reply of Government

While promotion will remain the primary responsibility of Government, the ITDC can also usefully cooperate in this regard, specially as a specialized agency to produce promotional literature for Government use at home and abroad.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 7)

The Committee are highly depressed to study the working results of the Travellers' Lodges for the years 1966-67|67-68|68-69. During the current year almost all the Travellers' Lodges except one suffered losses. It is more distressing to note that the Travellers' Lodges that earned profit in the previous years have also shown signs of losses in the current year. The Committee have acquired the impression that ITDC has not been able to do its work creditably in so far as the management of Travellers' Lodges is concerned. They urge that the top management of ITDC should strive to locate the reasons for such depressing state of affairs of Travellers' Lodges and adopt measures to remedy them.

(Paragraph 3.27)

Reply of Government

The matter is receiving urgent attention and remedial measures are being adopted. However, it may be pointed out that these lodges are situated in remote places and were conceived as a modestly priced basic amenity for the tourists rather than as commercial ventures.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 8)

The sad experience said to have been undergone in the Travellers' Lodges run by private contractors should serve as a lesson to ITDC for avoiding the risks involved in leasing out such concerns to private businessmen. The Committee feel that these sites are of international repute and attract tourists from all over the world. They recommend that ITDC should set up lodges/restaurants of decent standard suiting the pockets of all categories of tourists.

(Paragraph 3.31)

Reply of Government

Noted. A decision has already been taken to run the lodges departmentally, as far as possible, in future.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 10)

The Committee would in this connection like to draw attention to the following recommendation of the Estimates Committee con-

tained in paras 6.81-82 of its 90th Report on the Ministry of Tourism and Civil Aviation, Department of Tourism:—

“The Committee do not think that sufficient attention has been paid towards the construction of motels in the country. They feel that since the motel concept is new to India, the precise location of each motel should be determined very carefully. It may be advantageous to construct motels either as units attached to petrol pumps and service stations along the national highways or on the outskirts of big cities where it would be advantageous for the tourists travelling by road to stop overnight instead of going to the city in search of suitable accommodation.

The Committee further recommend that traffic survey for the setting up of each motel may be made exhaustively and the economics of each motel worked out in detail before proceedings with the project. The Committee also suggest that efforts should be made to resolve financial and administrative difficulties in collaboration with the Indian Oil Corporation so as to induce them to participate in the motel projects.”

(Paragraph 3|44)

Reply of Government

Noted. Efforts are being made to enlist the help of the Indian Oil Corporation.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 11)

The Committee would reiterate the above recommendation and would urge that the construction of motels having already been decided upon and found to be useful to the transport motorists, it becomes the responsibility of the Corporation to proceed with the construction of motels with utmost promptness and on the basis of well defined realistic plans with emphasis on economical and efficient service.

(Paragraph 3.45)

Reply of Government

Noted.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2nd November, 1970].

Further information called for by the Committee

Government have simply noted the recommendations. Precise action taken to implement each of these recommendations may be indicated.

[Lok Sabha Sectt. O.M. No. 11(1)-PU-70 dated 22-1-1971]

Further reply of Government

Provision has been made in the 4th Five Year Plan for construction by ITDC of 3 motels, one each at Jammu, Varanasi and Siliguri involving a total expenditure of Rs. 89.00 lakhs. The suggestion made by the Committee in this regard has been taken note of.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 16th April, 1971].

Recommendation (Serial No. 12)

The Committee has recommended earlier that ITDC being a public utility concern should also cater to the services of the tourists of the lower income groups, both Indian and foreign. In that connection they suggest that motels furnished at inexpensive cost and charging fairly moderate rates should be put up. Such motels should be constructed in larger number particularly in the areas not served by the railways and the traffic is mostly dependent on long road journeys. Routes like the Jammu and Kashmir road route and Pathankot and Manali road are some such instances.

(Paragraph 3.46)

Reply of Government

Noted. A motel is being set up at Jammu.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 13)

The Committee are perturbed to note the lack of coordination between ITDC and DTU for local sight seeing services in and around Delhi. The Committee are of the view that neither the ITDC nor the DTU should have any monopoly, but both should carry on their operations on a commercially competitive basis.

(Paragraph 4.9)

Reply of Government

Presently, both the ITDC and DTU are operating sight seeing tours independently, on a commercially competitive basis.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 14)

It is a common knowledge that there are a number of procedural hinderances, on account of different sets of rules applicable in different States, in the inter-State travel by road. The Committee would suggest that the Central Government should examine the entire issue of inter-State travel by road in all of its aspects on an all-India basis and persuade the State Governments to follow a uniform policy with regard to issue of permits, registration of transport and non-transport vehicles, convenient and economical clearance of passengers at inter-State borders and allow unrestricted movement of tourist vehicles across State boundaries etc. Difficulties of ITDC can be removed only after such a step is taken by the Central Government.

(Paragraph 4.16)

Reply of Government

Noted. Vigorous efforts are being made to ease inter-State tourist travel by road. The Transport Ministry who are directly responsible have also been involved in this matter.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Further information called for by the Committee

Concrete steps taken to ease inter-State tourist travel by road and the response of the various State Governments to the efforts of ITDC may be indicated. The result of involvement of the Ministry of Transport in the matter may also be indicated.

[Lok Sabha Sectt. O.M. No. 11(1)-PU/70 dated 22nd January, 1971].

Further Reply of Government

The Ministry of Transport has been actively pursuing the matter. The main difficulties on inter-State routes relate to obtaining of counter signatures for tourist vehicles and payment of motor vehicles tax and passenger tax in respect of these vehicles. As

already stated, the Transport Development Council recommended in 1964 that each State should issue permits for 50 taxis and ten contract carriages valid for operation throughout India without counter signatures. Model Rules on the subject were drafted and circulated to the States for adoption. All the States except Assam, Jammu and Kashmir and West Bengal have since adopted these Rules. The matter is being pursued with these three States also. In the meanwhile, substantive provisions have been included in the Motor Vehicles Act for the grant of permits for tourist vehicles *vide* sub-sections (7) to (10) of section 63. These provisions enable the Central Government to prescribe the number of permits which shall be granted by State Governments for tourist vehicles for operation throughout the country or in one region. A notification fixing the number of permits to be issued by each State is proposed to be issued shortly.

As for single-point taxation, the Ministry of Transport has already taken up the matter with the State Governments for exemption from taxation except in the 'home' State. Andhra Pradesh, Tamil Nadu, Bihar, Rajasthan and Uttar Pradesh have agreed to the proposal. The matter is being pursued with other States.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated
16th April, 1971].

Recommendation (Serial No. 16)

The Committee find that there is a duplication of efforts in regard to the publicity between the publicity division of the tourism department and the ITDC. This Ministry in their written note have stated as follows:

“At present a segment of the Publicity Division concerned with preparing publicity literature is located in the Tourism Department. This involves some duplication of efforts and leads inevitably to some delays.”

The Committee feel that a specialised agency or cell should be available to prepare the publicity material for the tourists. Such materials should be prepared by a specialised agency who should write the script in a fairly high standard comparable to national| international standard of repute. Such a centralised cell, the Committee feel, would be able to coordinate the publication work of tourist importance and arrange the issue of publicity material. They feel that this coordination of preparation and distribution of publicity material should be handed over to the ITDC. This organisation should work on purely commercial lines. ITDC should

undertake the work on behalf of the Central Government; Department of Tourism, Public Undertakings and State Governments etc. on payment. The Committee do not approve of free distribution of publicity material and instead they would recommend that their work should be charged on commercial lines by ITDC.

The Committee also feel that such publicity materials should be prepared in Hindi and other regional languages also to facilitate publicity among the Indian tourists in different States.

(Paragraph 5.11)

Reply of Government

Noted. This matter is being carefully reviewed.

[Ministry of Tourism & Civil Aviation O.M. No. 74/70-Hotels dated 2nd November, 1970].

Further information called for by the Committee

Government have simply noted the recommendations. Precise action taken to implement each of these recommendations may be indicated.

[Lok Sabha Sectt. O.M. No. 11(1)-PU/70 dated 22-1-1971].

Further Reply of Government

Certain decisions have been taken to regulate the work of publicity in the following manner so that there is no duplication of efforts. These decisions are:—

1. The Department of Tourism will each year provide the ITDC with a brief description of its publicity requirements.
2. The creative work involved in meeting its publicity requirements will thereafter be the sole responsibility of the ITDC.
3. The Department will keep the Production and Publicity Division of the ITDC fully apprised, through its regional offices, of market reaction and market needs, so far as the publicity and sales promotion materials are concerned.

For production of quality publicity material, the Corporation has strengthened the Production & Publicity Division by appoint-

ing a Divisional Manager for the Division. The Corporation also intends to set up an Editorial Cell in the Division and has already made selections for the posts of an Editor and an Assistant Editor. The selected incumbents, it is hoped, will soon be in position.

Regarding the pricing of the publicity material, it may be stated that the ITDC produces publicity material, on payment basis, against orders of the Department of Tourism of the Government of India and some of the State Governments. The question whether these publicity materials should be distributed free or be priced is to be decided by the Department of Tourism/State Governments concerned. The publicity material produced by the ITDC on its own account will invariably be priced.

As regards the printing of the publicity material in Hindi, it may be stated that a beginning has been made in this connection and a folder in Hindi on India will be produced during the year 1971-72. Plans to produce folders in Hindi and other regional languages will be finalised on the basis of the requirements to be indicated by the State Governments and Department of Tourism.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 16th April, 1971].

Recommendation (Serial No. 17)

Though there is considerable improvement in the general get-up of the various items of tourist literature, there is a considerable scope for improving the quality of publicity literature. The Committee would suggest that the picture post-cards representing the different Tourist spots of the country should also include areas not widely known (e.g. Sikkim, Manipur, Eastern Himalayas, Mount Abu, Gir Forest, Konarak etc.) The picture postcards should be printed in good indigenous material by Indian printers. The Committee are convinced that Indian Paper Industry and Indian Printers are capable of producing materials comparable to foreign standard and recommend they should be patronised by ITDC.

(Paragraph 5.15)

Reply of Government

Printing of Picture Post Cards is done by Indian Printers only but these are presently being printed on imported cast coated cards which are not being manufactured by any paper mill in India. The use of this particular type of card is considered necessary as lamination facilities are not available in India due to restriction on import

of lamination foils. Efforts will, however, continue to be made for finding a suitable indigenous substitute.

Steps are being taken to procure transparencies from areas e.g. Sikkim, Manipur, Eastern Himalayas, Mount Abu, Gir Forest, Konarak etc. for the production of picture postcards.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 18)

It has been observed that activities of the Public Sector are highlighted in the publicity material brought out by the ITDC. The Committee feel that the ITDC's endeavour should be to give an overall picture of facilities and amenities available to tourists both in private and public sector in the country. The Committee suggest that care should be taken by ITDC to indicate in the publicity material the facilities provided by the private sector also to the tourists.

(Paragraph 5.16)

Reply of Government

Noted.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Further information called for by the Committee

Government have simply noted the recommendations. Precise action taken to implement each of these recommendations may be indicated.

[Lok Sabha Sectt. O.M. No. 11(1)-PU/70 dated 22-1-1971].

Further Reply of Government

While finalising the production programme for publicity material for the year 1971-72 it is proposed to incorporate therein complete information regarding facilities and amenities available to tourists both in private and public sector in the country along with details of itineraries and destinations.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 16th April, 1971].

Recommendation (Serial No. 19)

The Committee suggest that maps should be as upto date as possible. ITDC should take special pains to produce latest Regional Road maps for the use of the Tourists.

(Paragraph 5.18)

Reply of Government

The matter has already been taken up with Survey of India for production of latest road maps for the use of tourists.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2nd November, 1970].

Further information called for by the Committee

The action taken by the Survey of India for production of latest road maps for the use of tourists may be indicated.

[Lok Sabha Sectt. O.M. No. 11(1)-PU|70 dated 22-1-1971].

Further Reply of Government

In so far as the ITDC is concerned, it has already published a city map of Delhi and maps of other cities (Bombay, Calcutta and Madras) are being planned for production during 1971-72.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 16th April, 1971].

Recommendation (Serial No. 23)

The Committee feel that there is a wealth of talent in the country which can be usefully tapped for preparing two or even three different scripts which by variety would help invite greater attention from the spectators. Moreover it is the imaginative and artistic presentation that counts and research in this direction would no doubt yield maximum dividends in increased participation of the audience in these shows.

The Committee feel that now since the Corporation was undertaking the revision of the script of the *Son-et-lumiere*, opportunity should be taken to give a narration of history of Delhi starting from the days of Mahabharata. The revised script should *inter alia* include the role of freedom fighters such as Lokmanya Tilak, Netaji Subhas Bose, Sardar Patel, Maulana Abul Kalam Azad, Bholabhai

Desai, etc., besides including in the script Netaji's voice, INA marching songs|slogans and Bande-Matram. The Committee would also urge the simplification of the language of the script so as to make it more intelligible to the common people.

(Paragraph No. 6.15 and 6.16)

Reply of Government

In the equipment now installed at Red Fort, a programme lasting only 57 minutes could be fed. Since the sound and light show revolves round the monuments where it is mounted, ITDC has been able to implement partially the recommendations of the Committee. In the revised version, Netaji's voice, Bholabhai Desai's name, INA's marching song, Bande Matram, etc. have been incorporated.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated
2nd November, 1970].

Recommendation (Serial No. 27)

There is already much evidence based on experience with tourists during the last several years as to how commodities and goods of Indian origin command the fancy of the tourists much more than the goods produced on Western standard. It is an important duty of an organisation dealing with tourist traffic to have sample studies of tourist demands and provide effective catering for such items. The provision of easy accessibility of such goods for the foreign tourists should be provided by the Undertaking. The Committee trust that the implementation of the scheme of opening airport bazars would be a welcome step in this direction. They would also urge that these bazars should accept payments only in foreign exchange.

(Paragraph No. 7.9)

Reply of Government

The Corporation has already made arrangements with the Handicrafts & Handlooms Exports Corporation of India for providing a variety of indigenous merchandise in the field of handicrafts and handlooms at Duty Free Shops for the tourists. Since HHEC is mainly dealing with the exports of such merchandise and have branches in Europe and the USA, they are familiar with tourist requirements in the field of handicrafts, handlooms, display and sale of these products.

The Committee's recommendation for opening Airport Bazars has been noted.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 28)

Exemption from excise duty at the Duty-free shop at Palam Airport will help the Duty-free shop immensely. The Governments of Maharashtra and West Bengal have given this facility to I.T.D.C. at Santa Cruz and Dum Dum respectively. The Committee are neither aware nor have gone into the reasons for withholding grant of this facility at Palam and the Meenabakkam airports. It is hoped that it would be possible for the authorities concerned to help the ITDC in this connection.

(Paragraph No. 7.13)

Reply of Government

Exemption from payment of excise duty for the sale of liquor at the Duty-free shop, Delhi Airport has since been granted by the Delhi Administration. Efforts are being made to obtain a similar concession for the Duty-free shop at Meenabakkam Airport.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 29)

The Committee do not agree that the changes in the working strength of the Board of Directors of ITDC from year to year were in any way justified. They feel that with the experience gained so far from the functioning of Board of Directors of different public sector undertakings it should be possible for the Government by now to draw valuable lessons for rationalising the working strength of the Board of Directors consistent with the need of representing the necessary talent, experience and interests adequate for carrying on effectively an activity of this type.

(Paragraph No. 8.3).

Reply of Government

According to Article 60 of the Memorandum and Articles of Association of the I.T.D.C. the number of Directors shall not be less than two and more than fifteen. Consequent on the merger of

the Ashoka and Janpath Hotels Ltd. with the ITDC, the Board of Directors as reconstituted with effect from 28-3-1970 consists of ten members including the Chairman and the Managing Director. Government propose to appoint a few more members as Functional Directors keeping in view the recommendations made by the A.R.C. and Government's decision thereon. While reconstituting the Board of Directors, Government had kept in view the recommendations made by the Committee.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 30)

The statistics of attendance of Members of the Board of Directors of ITDC given in the table above make distressing reading. It appears that the Members of the Board of Directors who are supposed to be associated with Planning, direction and review of the activities of the Corporation have not been taking interest in the working of the Corporation. In the Committee's view this is not peculiar to the ITDC alone but is a common malady in the case of all the public sector undertakings. The Committee would urge that Government should devise suitable measures so that only those who can effectively contribute to the development of the organisation are appointed on the Board of Directors of the various public sector undertakings. The Government should also ensure that persons drawn from the private sector and especially with experience of hotel industry are appointed on the Board of Directors of ITDC. This should be particularly kept in view while reconstituting the Board of Directors of I.T.D.C.

(Paragraph No. 8.5)

Reply of Government

The observations of the Committee had been kept in view when the Board of the amalgamated Company was reconstituted from 28th March, 1970.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 31)

As pointed out in para 8.6—8.11, the Estimates Committee and the Committee on Public Undertakings had unmistakably commented

upon the inadvisability of inclusion of a Secretary or Additional Secretary in the management of public sector undertakings. In spite of the above recommendation, it is noticed with surprise that Additional Secretary of the Government has been appointed as part-time Chairman of India Tourism Development Corporation as recently as in 1970. The Committee have taken strong exception to the deliberate flouting of the recommendations of Parliamentary Committees and of ARC and would recommend that the recent appointment of Chairman of Board of Directors of ITDC should be immediately reconsidered in the light of the recommendations earlier made and already accepted by the Government.

(Paragraph No. 8.12)

Reply of Government

The recommendations of the Committee have been noted and the matter is under careful review.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Further information called for by the Committee

The latest position as a result of the review undertaken by Government may be indicated.

[Lok Sabha Sectt. O.M. No. 11(1)-PU/70 dated 22-1-1971].

Further Reply of Government

As a result of a further review, Government have since appointed Shri M.S. Sundara as Chairman-cum-Managing Director of the India Tourism Development Corporation with effect from 7th December, 1970. Shri S. K. Roy now functions only as Director General, Tourism.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 16th April 1971].

Recommendation (Serial No. 32)

It is well known that a part-time Chairman has no specific functions or responsibilities besides presiding over the meetings of the Board, the executive responsibility being vested in the Managing

Director. A Chairman who has no trapping of authority is not of much functional value. The Committee would, therefore, urge that the Government should review the position and combine the post of Chairman and Managing Director in the case of ITDC at an early date.

(Paragraph No. 8.16)

Reply of Government

Governments reply to recommendation No. 31 refers.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Further information called for by the Committee

The latest position as a result of the review undertaken by Government may be indicated.

[Lok Sabha Sectt. O.M. No. 11(1)-PU/70 dated 22nd January, 71].

Further reply of Government

Please see Governments reply to recommendation No. 31.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 16th April, 1971].

Recommendation (Serial No. 35)

The ITDC may also explore the possibility of ensuring provision of accommodation for their staff at places near the place of their work for the sake of efficiency.

(Paragraph No. 8.29)

Reply of Government

Noted. It may be mentioned that the employees of the Hotels, Travellers' Lodges etc. are generally provided with residential accommodation near the place of their work.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 37)

It need hardly be said that the Corporation having undertaken the task of training candidates in management and executive functions, it is an imperative necessity to ensure that trainees do get adequate-

ly trained and become fit to handle the responsibilities for which they have been earmarked. A proper programme of periodic assessment and follow-up measures may have to be evolved for that purpose. The trainees selected should be competent and capable drawn out from very wide range, preferably through the medium of advertisement throughout India so that there can be no breath of suspicion that favouritism has played a part in giving opportunities to a favoured few. The Committee also trust that trainees have executed the necessary undertaking to serve the organisation for a predetermined period of time so that the time, effort and money spent on such trainees do not get lost.

(Paragraph No. 8.36)

Reply of Government

The trainees will certainly be carefully selected by the methods proposed. The Trainees are being asked to sign a bond to serve the Corporation for a specified period after completion of the training period.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated
2nd November, 1970]

Recommendation (Serial No. 40)

The importance of internal audit in modern undertaking is well known. Besides discovering irregularities, if any, concurrently it has the added advantage of bringing in advance to the notice of the management the weak areas and help them to streamline financial, procedures, cutting out waste etc. It is a great ally of the management in efficient running of the organisation. The Committee feel that I.T.D.C. had been indifferent towards raising a suitable internal audit unit in their organisation. The Committee would, therefore, urge that the internal audit cell in the Corporation should be properly constituted without any further delay and its work should start forthwith.

(Paragraph No. 9.4).

Reply of Government

The Management has already approved the creation of a full-fledged Internal Audit Cell, and necessary steps have been taken to get the personnel in position.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated
2nd November, 1970].

Recommendation (Serial No. 41)

The need to prepare an Accounting Manual containing the financial and accounting procedures prescribed from time to time by rules and regulations or otherwise has been emphasised in the earlier reports of the Committee and the Report of the Administrative Reform Commission on Public Sector Undertakings. The Committee would, therefore, recommend the expeditious completion of the Accounting Manual in the interest of systematised working of ITDC.

(Paragraph No. 9.7)

Reply of Government

The Accounting Manual prepared by Messrs. S. Vaidyanath Aiyar & Co., Chartered Accountants has been put into operation from the current financial year.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 42)

The need for developing sound and efficient accounting and cost accounting units in the Public Sector Undertakings have been emphasised in the earlier reports of the Committee. The Committee would, therefore, insist that cost data be regularly and promptly presented to the Board of Directors to enable them to take corrective action. The Committee would also commend the development of integrated system of cost and financial accounts and also standard costs without any further loss of time.

(Paragraph No. 9.9)

Reply of Government

Noted. A Cost & Management Reporting Cell has been created in the Corporation for compiling and presenting the cost and other management reports to the Management. The reports are submitted regularly.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Recommendation (Serial No. 43)

The Committee feel that the amount of sundry debts is considerable and does not testify to the alertness and efficiency of the

Corporation in realising its dues. Moreover, there should be no reason for huge outstandings against the Government Departments and undertakings. The Committee trust that efforts will be speeded up in this respect and a better picture will emerge as a result.

(Paragraph No. 9.12).

Reply of Government

Of the Sundry Debts of Rs. 95,071.95 as on 31st August, 1969, the Corporation has already recovered Rs. 73,346.36 and the net balance outstanding is only Rs. 21,725.59. The Corporation is making continuous efforts for realising its dues.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

Recommendation (Serial No. 5)

The Committee feel that ITDC may not be able to handle the entire tourist traffic of the country owing to its limited resources and experience. This will naturally involve the participation of other public sector undertakings like Air India and private sector undertakings in the rendering of services to the tourists for the time being.

(Paragraph 2.12)

Reply of Government

Noted.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2nd November, 1970].

Further information called for by the Comm'ttee

Government have simply noted the recommendations. Precise action taken to implement each of these recommendations may be indicated.

(Lok Sabha Sectt. O.M. No. 11(1)—PU/70 dated 22nd November, 1971).

Further Reply of Government

Assuming that the expression 'handling the entire tourist traffic' implies both transport and hotel arrangements, the position is explained below.

It was never the intention of Government that the ITDC should have the monopoly of transport and hotel arrangements for tourists coming to India. On the transport side, as many as 110 tourist car operators have been given recognition by Government. The Department also helps these operators to get allotment of imported vehicles from the State Trading Corporation. Recently, a scheme for the grant of loans to tourist car operators has been introduced. The Plan allocation of the Department contains a provision of Rs. 100 lakhs for the purpose.

On the hotel side also, the Department provides a large number of incentives and facilities to private entrepreneurs. More than 50 new hotel projects in the private sector have been approved which on completion will provide nearly 6,400 hotel rooms by 1973. The Plan allocation of the Department contains a provision of Rs. 500 lakhs for grant of loans to private entrepreneurs by way of financial assistance for setting up new hotels or renovating old ones. A sum of Rs. 201 lakhs has already been disbursed by way of loans. Air India is also constructing two hotels in Bombay.

From the foregoing, it will be seen that the ITDC is only meant to function as a catalytic agent in the field of providing transport and hotel facilities to tourists. Even at present, the requirements are mainly met by the private sector.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 16th April, 1971].

Recommendation (Serial No. 6)

The Committee have carefully gone into the whole question of construction of hotels by the ITDC and have come to the conclusion that the following features stand out rather conspicuously while reviewing the whole course of events of the various efforts made by the ITDC in this regard:

- (i) There has been a considerable delay in coming to firm conclusions regarding the construction of hotels. The initial hurdle in most cases was the shelving of plans because of the impending merger of the Hotel Corporation in the India Tourism Development Corporation. An *ab-initio* decision to have a multipurpose corporation would have served to expedite matters and reduce costs. As it is, the Hotel Corporation of India suffered a loss of Rs. 1,48,615 by the end of March 1966, which could have been perhaps avoided had a firm decision been reached initially.
- (ii) The frequent changes, in the order of priorities for construction of hotels and the dropping of schemes of construction originally contemplated was not based on realistic and practical considerations.
- (iii) Frequent changing of estimates as originally planned and finally adopted became matter of regular occurrence. The increase of Rs. 50 lakhs in each case of Kovalam Sea Beach and Bangalore Hotel Projects are instances to support that the concept of a realistic planning was lacking in the Corporation.

- (iv) The anticipated occupancy ratios of the projected hotels appears to be far too low and don't offer fair chances for the economic viability of the undertakings. This deserves detailed examination followed by intensification of efforts for ensuring that the hotels function on profitable lines.

The Committee find that the plan for construction of hotels has been as follows:—

- (a) Bangalore, Kovalam, Dum Dum, Aurangabad, Jammu, Srinagar, Gulmarg, Udaipur—(Expansion of LVP Hotel).
- (b) ITDC abandoned the plan to construct hotels at Madras, Agra, Srinagar House Boat Hotel, Varanasi, Juhu Sea Beach, Santa Cruz and Goa.

The Committee find absence of a well thought out plan on the basis of which sites/stations are being selected for construction of hotels by ITDC. ITDC should drop places where hotel facilities exist in plenty and where ITDC will have to face keen competition to make profits. Moreover, from the public utility point of view hotels in such places may not serve useful purpose. Hotels in places like Kovalam Beach and Aurangabad may not be highly popular as compared to Kanyakumari, Ellora and Ajanta. The Committee feel that the urge of the tourist is to live within the vicinity of tourist spot. Tourists for instance, would prefer to stay in Ellora or Ajanta instead of in far away Aurangabad. Similarly, tourists are interested to visit places of well known of all-India importance, e.g. Kanyakumari, Agra, Varanasi and Gir forest in Gujarat.

The Committee would like to suggest the following principles for selection of hotel sites of ITDC:—

- (a) the places/spots should be of all-India importance.
- (b) in the popular places where hotels in Public/Private Sector exist in plenty e.g. Bombay, Srinagar, Gulmarg, Calcutta, etc. ITDC should not lock up its limited resources.
- (c) ITDC should set up hotels in places where adequate hotel facilities do not exist and there is scope for hotel build-in owing to less competition coupled with prospects of profit making (e.g. Ajanta, Ellora, Veraval, Konarak, Varanasi, Agra etc).

- (d) ITDC should as far as possible avoid building hotels in areas where their activities would create unemployment among existing small hotel traders (e.g., House Boat owners in Srinagar).
- (e) The selection of sites/stations of tourist interest should be done only after a very careful study of the Survey of the tourist traffic coupled with the study of their economics and profitability.

The Committee find that the ITDC have stated in their written reply in their post-evidence information "that it was difficult to lay down a precise pattern for obtainable occupancy ratio in respect of a particular project. By and large, the following pattern of occupancy ratio had been assumed in planning the various projects:

Year	Occupancy ratio
1st	30 per cent to 35 per cent.
2nd	35 per cent to 40 per cent.
3rd	40 per cent to 45 per cent.
4th	45 per cent to 50 per cent.
5th	50 per cent to 60 per cent.

The hotels were likely to break-even when the occupancy ratio was 60 per cent or more."

It is unusual to find that ITDC is unable to work out "a precise pattern for obtainable occupancy ratio" of their hotels and have come to the conclusion that "they can break even subject to the occupancy ratios being 60 per cent or more". In other words they have looked forward to a long gestation period of 5 years before they can break even to make profit. They are also not very definite as to what extent and in which project they would be able to break even. The Committee are amazed to find that without applying their mind to the fundamentals of planning on the basis of occupancy and profitability, the ITDC is working up its hotel projects. The Committee highly depreciate this sort of hotel construction without definitely assessing its economics and commercial viability and cannot excuse the undertaking Ministry for such lapses. They strongly recommend that ITDC hotel projects should be subjected to a thorough study by a Committee of Experts before they are allowed to go ahead with the execution of their plan beyond what they have started executing. The Committee would

also reiterate that hotels having long gestation period should as far as possible be avoided in future.

ITDC is going in for the construction of hotel buildings. The Committee would like the ITDC to take into consideration what the Committee have observed in respect of the conceptual drawings of hotels to be put up by Air India. The Committee are convinced that as far as the construction of hotels is concerned there is adequate talent available in India who are capable of preparing conceptual drawings and designs of hotels. The Committee would like ITDC to make use of indigenous talent and consultancy service for designing hotels. If, however, on some special point they feel that expert advice from foreign countries need be taken in the interest of making the hotel project a success, they could do so but the primary consultants should always be Indians which is in line with Government's general instructions for making use of the Indian consultancy as far as possible.

(Paragraphs 3.11 to 3.17).

Reply of Government

While noting the recommendations of the Committee, the ITDC would like to reiterate that the changes in its programme of construction of hotels were mostly due to circumstances beyond its control. At the beginning, the Corporation, was financially handicapped to implement a certain programme of hotel construction but later on, a realistic appraisal of requirements of hotel beds in the particular areas, a revised programme was drawn up. The programme now chalked out will be carried out to the extent resources are made available and the schemes are found economically viable.

It is not correct to state that ITDC is working up its hotel projects without applying its mind to the fundamentals of planning on the basis of profitability and occupancy. The ITDC has so far gone ahead with only one project, namely, Hotel 'Ashoka—Bangalore' which has been sanctioned by the Government of India. It may be noted that this project is expected to achieve average annual occupancy of 50 per cent and yield a net profit of the order of Rs. 2.87 lakhs in the first year itself.

The services of the Indian Institute of Management, Ahmedabad, were commissioned for carrying out feasibility studies in respect of hotel projects at Dum Dum Air Port, Calcutta, Srinagar, Gulmarg, Jaipur and Udaipur. Action on implementation of these pro-

jects will be taken only after the projects are sanctioned by the Government of India, after submission of the EFC Memoranda where necessary. The Corporation is, thus, implementing its hotel projects only after applying the fundamentals of planning on the basis of occupancy and profitability and after assessing the commercial viability. In view of the foregoing, a study of the ITDC Hotel Project by a Committee of experts does not seem necessary.

With regard to the suggestion that indigenous talent be utilised for designing hotels, it may be stated that Indian architects are being utilised for designing the hotels. However, where the Indian architects need foreign consultancy in regard to planning of special areas, such as kitchens, restaurants, bar etc., or where special type of hotels, like Airport Hotel at Dum Dum or Kovalum Beach Resort are to be designed, such consultancy will be made available to them.

[Ministry of Tourism and Civil Aviation O.M. No. 7|4|70-Hotels,
dated 2-11-70.]

Recommendation (Serial No. 9)

The Committee note the efforts made by the Corporation to train the Managers in orientation and in-service training. They are not averse to having in-service training for orientation purposes of the Managers of Travellers' Lodges and other staff of the hotel. They would recommend that help of existing training schools should as far as possible be taken instead of creating new schools in the undertakings for that purpose. ITDC should also send its officers|staff to study in the Indian Branches of the world wide organisation of YMCA who are known for their efficiency of service to the tourists at reasonable cost. The Committee is aware that a large number of Management training organisations have come into being in regard to the different spheres of technological|professional studies and they would recommend that this project should not do anything to add to their proliferation.

(Paragraph 3.35.)

Reply of Government

In-service training is essential if the standard of service and efficiency in the hotels are to be improved. Such training to be beneficial, has to be organised on a long-standing basis. Short-training courses in technical institutes cannot be a substitute for modern intensive on-the-job training. ITDC is therefore thinking of providing this facility in one of its hotels and the necessary

plans are being drawn up. The Indian Branches of the YMCA are not, it is submitted, the best places for training our catering staff.

[Ministry of Tourism and Civil Aviation O.M. No. 7|4|70-Hotels, dated 2-11-1970].

Recommendation (Serial No. 15)

The Committee note the progress made by the Transport Division of ITDC and the efforts being made to spread the sphere of activity into different cities. In order to have a broad based plan the Committee would suggest the feasibility of establishing subsidiary tourist transport units in those States. Pending this, the Committee would like the State Governments in whose jurisdiction the existing Units of ITDC are located to patronise the vehicles of ITDC liberally.

The Committee also suggest that ITDC should examine the feasibility of running a transport service, on the lines of Srinagar Unit, for serving places of tourist interest in Himachal Pradesh. A Unit with a base either at Chandigarh or at Pathankot should meet the needs of tourists going to Simla, Manali, Kulu etc. This may help the tourist promotion efforts in that region.

(Paragraph 4.23 to 4.24.)

Reply of Government

Noted. It is proposed to set up a unit at Chandigarh.

[Ministry of Tourism and Civil Aviation O.M. No. 7|4|70-Hotels, dated 2-11-70.]

Further information called for by the Committee

Steps taken to impress upon the State Governments to patronise the vehicles of ITDC liberally and the response of the State Governments thereto may be indicated. Action taken to have a broad based plan and the feasibility of establishing subsidiary tourist transport units in the States may also be indicated.

[Lok Sabha Sectt. O.M. No. 11(1)-PU|70, dated 22-1-1971.]

Further reply of Government

Special steps have been taken by means of letters and personal contacts requesting State Governments, where the ITDC have opened its transport units, to patronise the vehicles of the ITDC liberal-

ly. In fact, most of the State Governments patronise cars of the ITDC based at various transport units but there is not much patronage in respect of coaches and mini-buses. Perhaps this is due to the fact that each State Government has its own road transport organisations and their requirements are met by the respective State Transport Undertakings.

New Transport Units of the ITDC are gradually being established at different places of tourist interest and attraction according to a phased programme. During the last few months transport units have been established at Madurai, Bangalore, Bodhgaya and Agra. Further transport units are likely to be established during the next financial year.

It is difficult for the ITDC to establish subsidiary tourist transport units in all the States as too many subsidiary units will present problems of uniform standard of service and other allied matters. Besides, the State Government are not enthusiastic about the subsidiary transport units in collaboration with the ITDC as either they prefer that their respective Transport Undertakings should cater for tourist traffic or they only wish that the ITDC should supplement tourist transport services of comparable international standard at places which are visited by tourists and are known places of tourist attraction.

Chandigarh is considered as the ideal place for setting up a transport unit to cater to the traffic to Kulu Valley, Simla and other adjoining hill stations. However, the problem is that for setting up a transport unit and operation of services with base at Chandigarh, the concurrence of Chandigarh Administration, Himachal Pradesh Government, Haryana Government and Punjab Government is necessary. The matter has already been taken up with the concerned State Governments and the State Transport Authorities of the concerned States.

ITDC will set up a Transport Unit at Chandigarh as soon as the matter regarding the road permits and countersignatures is resolved with the concerned State Governments.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 16-4-1971].

Recommendation (Serial No. 24)

The Committee are not clear as to whether any tender open or limited was issued in regard to the installation of the Son-et-Lumiere instruments before entrusting it to Phillips (India) Ltd. The ITDC

have stated that "in the absence of competitors in India there was no yard-stick to assess the reasonableness of the estimates of Phillips (India) Ltd." Before entrusting the job to Phillips for other projects, the Committee feel that ITDC should have at least satisfied itself, of the reasonableness of prices. To that extent the Committee feel the ITDC had allowed itself to be dictated by the firm.

(Paragraph No. 6.19)

Reply of Government

Efforts were made to ensure that the prices were reasonable, and in a recent analysis the CPWD were asked to undertake the work when it was found that their estimates of rates were lower.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2-11-1970].

Recommendation (Serial No. 25)

In the Committee's view it was wrong to think that nobody other than Phillips (India) Ltd. was in a position to undertake the installation of the Son-et-Lumiere. The Committee would, therefore, recommend calling of open tenders for the installation of Son-et-Lumiere in future.

(Paragraph No. 6.20)

Reply of Government

This was done and several other efforts made to find alternatives to Phillips (India) but without success. The effort to find alternatives continues.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2-11-1970].

Recommendation (Serial No. 26)

The Committee are highly concerned with the laxity of financial control demonstrated by the non-detection of temporary misappropriation of funds (Rs. 2,899.00) by the previous manager of the sound and light show. They hope that by the steps taken, such instances would not be repeated.

They are not satisfied with the mere "censure and transfer" of the unreliable official by the I.T.D.C. A more severe action like

demotion if not removal from service should be considered by the I.T.D.C.

(Paragraph No. 6.28)

Reply of Government

Regular checking of the daily collections at the show is now being done and there are more frequent unannounced inspections.

Since the concerned employee has already made good the loss and has also been censured, it will not be appropriate to reopen the case and award more stringent punishment for the same offence.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2-11-1970].

Recommendation (Serial No. 33)

The Committee feel that the concentration of powers in the hands of the Managing Director has been a big drawback in the case of public sector projects. In the case of ITDC also the Committee note that large powers have been delegated in the hands of the Managing Director. They would recommend that the Board/Government should keep a regular watch on the exercise of those powers and would insist that no financial powers should be exercised by the Managing Director unless it has been concurred in by the F.A. & C.A.O.

They would also urge that an Advisory Committee like the one in Air India may also be constituted in the case of ITDC as well so that it could advise the Corporation in the matter of tourist needs etc.

(Paragraph No. 8.21)

Reply of Government

The powers delegated by the Board of Directors have been suitably re-delegated by the M.D. to other officers of the Corporation depending on the necessity of each unit. This decentralisation of powers, which is reviewed from time to time, has contributed greatly to the smooth functioning of individual units. It has also imbued in the officers a sense of participation in the management, improving efficiency all around. It may be mentioned that consistent with the policy of limited financial freedom based on adequate safeguards, FA & CAO is consulted on all important proposals having a financial bearing.

As for Advisory Committees, a decision has separately been taken to discontinue these even in the Airlines. It is felt that with a broad spectrum Board of Directors, plus the Consultative Committee of M.Ps. attached to the Ministry, the public view point is fully and adequately represented.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2-11-1970].

Recommendation (Serial No. 34)

The staff strength of ITDC had been showing a steep rise. The Committee are not aware whether the ITDC management have laid down systematic norms for different categories of staff.

The Committee consider the fixing of norms of work load as essential for efficient and economic utilisation of the staff. In fact they consider the increase in staff strength from 128 in 1966-67 to 433 in 1968-69 as disproportionately high. The Committee recommend that steps should be taken by the ITDC management to determine the norms of work load for all categories of staff expeditiously with the help of an independent specialised agency like Staff Inspection Unit and to reassess and rationalise the staff strength accordingly.

The Committee would like to caution the ITDC that with the amalgamation of four public sector hotels with the ITDC, the personnel management problems will increase. They would, therefore, urge that the individual units should be given adequate autonomy in their internal administration.

(Paragraph Nos. 8.27 to 8.28).

Reply of Government

Strict scrutiny of manpower requirements is exercised by the Personnel and the Finance Divisions before creation of any additional post. Since the Corporation is in the process of expansion, increase in the staff strength is inevitable. However, the requirement of staff is assessed at the stage of finalisation of project reports by a distinct division created for the purpose. In the circumstances re-assessment of staff strength by an outside agency is not considered necessary.

The individual units will be given adequate autonomy in their internal administration.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2-11-1970].

Recommendation (Serial No. 36)

The Committee note that the question of providing facilities for training to candidates sponsored by the Company Law Board with an eye for their eventual absorption in the undertakings has been accepted by ITDC. It is hoped that the scheme will prove successful.

(Paragraph No. 8.33)

Reply of Government

Noted.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2-11-1970].

Further information called for by the Committee

Government have simply noted the recommendations. Precise action taken to implement each of these recommendations may be indicated.

(Lok Sabha Sectt. O.M. No. 11(1)-PU|70 dated 22-1-1971).

Further reply of Government

In view of a very limited scope for assignments in Secretarial Division of the Corporation it is not possible to absorb all the trainees sponsored by the Company Law Board. It is incumbent on the candidate qualifying in the Secretarial examination conducted by the Company Law Board to undergo practical training for a period of 6 months. To provide training to such candidates in the Corporation should, therefore, be viewed as a social obligation.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 16-4-1971].

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Serial No. 20)

The Committee are distressed to note that no serious attention has so far been paid to evolve suitable and adequate forms of tourist entertainment. This was commented by the Estimates Committee (1968-69) in their Ninetieth Report on the Ministry of Tourism and Civil Aviation (Department of Tourism). The Jha Committee also made some suggestions in this regard in 1963. The Estimates Committee had expressed surprise that in a vital matter of this kind the initiative appears to have been left entirely to the non-official agencies with the result that nothing much has been done in this matter since 1963. They further observed that:

“The Committee realise that the bulk of the foreign tourists visiting this country is from U.S.A., Europe and Australia, most of whom are from affluent sectors of society, with plenty of money and leisure at their disposal and accustomed to some ‘live’ form of entertainment like cabaret/floor shows etc. The Committee feel that the foreign tourists do not look forward to see cabaret etc. form of entertainment in this country which at best can be a poor imitation of what they are accustomed to see in their own country. What they are really interested to see is a form of entertainment depicting the culture and tradition of our country and the manner in which our people entertain themselves. The Committee, therefore, feel that to go in for night clubs and cabaret etc. and importing foreign artistes, therefore, even for a limited period would be waste of effort and resources and is not in keeping with our culture.

In the opinion of the Committee there is vast scope for developing tourist entertainment according to the genius and fabric of our own culture and tradition. It is well known that we have a rich tradition of music and dancing—not merely classic. The Committee, therefore, recommend that Government should make an intensive study of the whole aspect of entertainment and its various forms and formulate in consultation and cooperation with State

Governments and other official as well as non-official agencies, a comprehensive scheme for the development and promotion of Indian dance and music and other recreational programmes including sports and athletic activities, so as to provide a unique and interesting entertainment to the foreign tourists at various places of tourist interest. They have no doubt that adequate guidance and necessary assistance will be made available by the Government to the concerned agencies for this purpose.

The Committee further suggest that the State Governments may also be persuaded to explore the possibilities of developing outdoor sports and recreational facilities in each region having potentiality of attracting tourist."

(Paragraph No. 6.3)

Reply of Government

Noted.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 2-11-1970.]

Further information called for by the Committee

Government have simply noted the recommendations. Precise action taken to implement each of these recommendations may be indicated.

(Lok Sabha Sectt. O.M. No. 11(1)-PU|70 dated 22-1-1971).

Further reply of Government

In New Delhi, concerts and Recitals at the Ashoka Hotel by top ranking artistes from all over India and from abroad have become an important feature of cultural life in the capital. An art gallery, a chamber theatre and exhibitions are other areas of cultural activity for tourists at the Ashoka Hotel.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels dated 16-4-1971.]

Recommendation (Serial No. 21)

The Committee feel that in small way side Tourist Resorts like Ajanta|Ellora or Khajuraho, Gir Forest, Bhubaneshwar, Konarak, Veraval etc., the ITDC should arrange for entertainment facilities by making local talents available.

The Committee would also urge complete co-ordination between the Song and Drama Division of All India Radio, Sahityakala Aka-

demi and the ITDC in the matter of providing entertainment to the tourists.

(Paragraph No. 6.4)

Reply of Government

Noted. It may be stated that an important part of the entertainment provided in the hotels run by the ITDC is typically Indian, depicting the culture and tradition of the country.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 2-11-1970].

Further information called for by the Committee

It has not been stated as to what action has been taken by Government|ITDC to arrange for entertainment facilities by making local talents available in small way side Tourist Resorts like Ajanta, Ellora or Khajuraho, Gir Forest, Bhubaneshwar, Konark, Veravel, etc. The latest position may be indicated.

(Lok Sabha Sectt. O.M. No. 11(1)-PU/70 dated 22-1-1971)

Further reply of Government

ITDC being a commercial undertaking, would have to look to Government for subsidy, for making such arrangements. For this purpose, the overall policy would have to be determined by Government. However, to begin with, preliminary investigations have been conducted to provide entertainment to foreign tourists at Khajuraho.

[Ministry of Tourism & Civil Aviation O.M. No. 7/4/70-Hotels dated 16-4-1971].

Recommendation (Serial No. 22)

The Committee feel that sound and light shows have a great part to play in making the people conscious and feel proud of the historic associations of the monuments, and spot lighting the glorious pages of history. The Son-et-Lumiere show has evinced a keen interest among the Indian and Foreign Tourists. They hope that financial results of the Projects (at least in Delhi Red Fort) would be profitable.

The Committee note that the economics of the Sabarmati Ashram and Shalimar Gardens projects had been worked out and in the case

of Meenakshi Temple Project feasibility study was under preparation. The anticipated working results during the first three years of the operation in the Sabarmati Ashram and Shalimar Gardens projects, however, show that these projects would be losing propositions. The Committee are surprised why decision was taken to undertake in spite of the fact that they were losing propositions. They would, therefore, urge that no project be started which is not economically viable and specially the Shalimar Gardens project be dropped as in the Committee's view Son-et-Lumiere show at Srinagar would hardly be an attraction to the tourists when Kashmir was gifted with so much of natural wealth.

(Paragraphs No. 6.11 & 6.12.)

Reply of Government

The observations of the Committee have been noted. While it is important that the economic feasibility of a Son-et-Lumiere show should be carefully studied before a project is taken up for implementation, this cannot be an over-riding factor. Sometimes, provision of entertainment has to be taken up as a promotional activity. It is for this reason that after taking all the points into consideration, Government has not found it possible to accept the recommendation of the Committee that the Son-et-Lumiere project at Shalimar Gardens, Srinagar, should be dropped.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels, dated 2-11-1970.]

Recommendation (Serial No. 38)

It is of primary importance that Recruitment, Promotion and Conditions of Service Rules should be framed for any undertaking so that administration and personnel policies conform to well defined patterns. There has already been some delay in the preparation of such rules for this Corporation. The Committee urge that the Rules be finalised without any further delay taking care that the rules bear the imprint of latest techniques and needs of administration in the light of current practices in efficient sister organisations. The Committee would also urge the formulation and introduction of incentive schemes on the basis of performance.

(Paragraph No. 8.40.)

Reply of Government

Service Rules have been prepared and are expected to be finalised soon. The suggestions made by the Committee will be borne in mind while finalising the Service Conditions.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels, dated 2-11-1970.]

Further information called for by the Committee

Please state whether the Service Rules have since been finalised and if so, a copy thereof may be furnished. Action taken to formulate and introduce incentive schemes on the basis of performance may be indicated.

[Lok Sabha Sectt. O.M. No. 11(1)-PU|70, dated 22-1-1971.]

Further reply of Government

Shri Ram Centre for Industrial Relations who had been entrusted with the assignment of framing Service Rules for employees of the Corporation has given the draft rules. These are being examined and will be finalised soon.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels, dated 16-4-1971.]

Recommendation (Serial No. 39)

The Committee are perturbed to note the fabulous rents paid by the Corporation on account of hiring of accommodation. While the Committee are fully conscious that the Corporation of this type should put up a presentable appearance to attract tourist, it is a matter for consideration whether such excessive hiring charges which are out of all proportion should have been resorted.

The Committee feel that now since the Ashoka and the Janpath Group of Hotels have been merged with the ITDC, it should build its own accommodation instead of paying huge rents in the hiring of accommodation. They would also urge that till such time ITDC's own building comes up, the Corporation should exercise utmost economy in hiring office accommodation.

(Paragraphs No. 8.46 to 8.47.)

Reply of Government

Based on the present market rates, the rate at which accommodation in the LIC building—JEEVAN VIHAR—has been taken is considered reasonable. The space now under the Corporation's occupation is proving inadequate.

Indian Airlines has been requested to make available to ITDC suitable space in their city terminal building to be constructed at Janpath.

[Ministry of Tourism & Civil Aviation O.M. No. 7|4|70-Hotels, dated 2-11-1970.]

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

NIL

NEW DELHI;
September 16, 1971.

Bhadra 25, 1893 (S).

M. B. RANA,
Chairman,
Committee on Public Undertakings.

APPENDIX

(Vide para 4 of Introduction)

Analysis of action taken by Government on recommendations contained in the Seventieth Report of the Committee on Public Undertakings (Fourth Lok Sabha)—

I.	Total number of recommendation ^s made	43
II.	Recommendations that have been accepted by Government (<i>Vide</i> recommendations at S.Nos. 1, 2, 3, 4, 7, 8, 10, 11, 12, 13, 14, 16, 17, 18, 19, 23, 27, 28, 29, 30, 31, 32, 35, 37, 40, 41, 42 and 43)	
	Number	28
	Percentage to total	65
III.	Recommendations which the Committee do not desire to pursue in view of Government's replies (<i>Vide</i> recommendations at S. Nos. 5, 6, 9, 15, 24, 25, 26, 33, 34 and 36)	
	Number	10
	Percentage to total	24
IV.	Recommendations in respect of which replies of Government have not been accepted by the Committee (<i>Vide</i> recommendations at S. Nos. 20, 21, 22, 38 and 39)	
	Number	5
	Percentage to total	11
V.	Recommendations in respect of which replies of Government are still awaited	NIL